Legal and Governance



EXECUTIVE

Date: Tuesday 16th February, 2021 Time: 1.00 pm Venue: Virtual Meeting

AGENDA

Please note: this is a virtual meeting.

The meeting will be live-streamed via the Council's <u>Youtube</u> <u>channel</u> at 1.00 pm on Tuesday 16th February, 2021

- 1. Apologies for Absence
- 2. Declarations of Interest
- 3.
 Minutes Executive 19 January 2021
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THE MAYOR

Strategic Plan 2021-24
 Strategic Plan 2020-23 - Progress at Quarter Three 2020/21
 Strategic Plan 2020-23 - Progress at Quarter Three 2020/21
 Revenue Budget, Council Tax, Medium Term Financial Plan
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EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

7. Revenue and Capital Budget - Projected Outturn Position as 103 - 128 at Quarter Three 2020/21

EXECUTIVE MEMBER OF REGENERATION

8.	Gresham Housing Phase 2 - Long Term Lease	129 - 144
9.	Middlesbrough Council Local Implementation Plan (LIP)	145 - 182
10.	Re-designation of North Ormesby Selective Landlord Licensing - Consultation Responses and Approval to Proceed with the Re-designation	183 - 324

OVERVIEW AND SCRUTINY BOARD

- 11. Final Report of the Adult Social Care and Services Scrutiny 325 380 Panel - Physical Activity for Older People (aged 65 plus) -Service Response
- 12. Any other urgent items which in the opinion of the Chair, may be considered.

Charlotte Benjamin Director of Legal and Governance Services

Town Hall Middlesbrough Monday 8 February 2021

MEMBERSHIP

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

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Chris Lunn / Georgina Moore, 01642 729742 / 01642 729711, chris_lunn@middlesbrough.gov.uk / georgina_moore@middlesbrough.gov.uk

INVITATION:

EXECUTIVE

A meeting of the Executive was held on Tuesday 19 January 2021.

- PRESENT: Mayor A Preston (Chair) and Councillors D Davison, A High, C Hobson, D McCabe, M Smiles and A Waters
- PRESENT BY Councillors R Arundale, B Hubbard and J Thompson
- **OFFICERS:** M Adams, C Benjamin, S Bonner, G Field, R Horniman, C Lunn, G Moore, T Parkinson, S Reynolds, E Scollay and I Wright

APOLOGIES FORCouncillor M Saunders (Chair of the Economic Development, Infrastructure and
Environment Scrutiny Panel)

20/90 DECLARATIONS OF INTEREST

There were no declarations of interest received at this point in the meeting.

20/91 MINUTES - EXECUTIVE - 22 DECEMBER 2020

The minutes of the Executive meeting, held on 22 December 2020, were submitted and approved as a correct record.

20/92 FINAL REPORT OF THE ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL - TEESSIDE CREMATORIUM - SERVICE RESPONSE

The Economic Development, Environment and Infrastructure Scrutiny Panel had undertaken a review of Teesside Crematorium. A copy of the full report was attached.

The scrutiny panel made four recommendations upon which a response was sought from the relevant service area. The Executive Member for Environment and the Director of Environment and Communities submitted a service response to the recommendations of the Economic Development, Environment and Infrastructure Scrutiny Panel. A copy of the Action Plan was attached.

The Vice-Chair of the Economic Development, Environment and Infrastructure Scrutiny Panel presented the final report to the Executive. The Executive Member for Environment presented the service response.

ORDERED

- 1. That the content of the Economic Development, Environment and Infrastructure Scrutiny Panel's Final Report, on Teesside Crematorium, be noted.
- 2. That the Action Plan, developed in response to the scrutiny panel's recommendations, be approved.

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.

20/93 LOCAL CYCLING AND WALKING IMPLEMENTATION PLAN; LINTHORPE ROAD CORRIDOR

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 provide information on the proposals to reallocate road space along the Linthorpe Road corridor (between Borough Road and Ayresome Street) to create protected cycle lanes in both directions.

Following the Tees Valley Combined Authority's (TVCA) Local Cycling and Walking Implementation Plan (LCWIP), Active Travel Funding had been secured from the Department for Transport (DfT) to deliver transformational infrastructure across the region.

Linthorpe Road had been identified as a key corridor due to the direct connections to the town centre, the number of destinations along the route and the density of population surrounding it.

The corridor planned to work on the principles of re-allocation of road space (removal of car parking spaces) to accommodate the following:

- segregated cycle lanes along the entire corridor in each direction;
- one lane of traffic in each direction (except at main junctions where right turn filters would be accommodated to improve junction queuing/stacking)
- side road closures at key junctions (identified in plans) to improve safety for all road users;
- upgrade, re-location and additional crossing points to be included to aid pedestrian movement;
- consolidation of the bus stops to provide improved facilities at key locations (reduced from 3 to 1 location in both North and South directions - close to Victoria Road junction - equidistant between Borough Road and Parliament Road); and
- rationalise taxi provision as per plans.

Appendix 3 of the submitted report provided full detail of the scheme proposals, along with artist impressions of the final outcome.

Appendix 1 of the submitted report highlighted the Average Annual Daily Traffic Flows for Linthorpe Road, Appendix 2 showed accident levels recorded along the scope of the proposals between 2015 and 2019, Appendix 4 provided the cost estimates that had been worked up to deliver the scheme as anticipated, Appendix 5 summarised the parking revenue implications associated during construction phase and future operation and Appendix 6 summarised the anticipated alterations (current vs proposed).

A discussion ensued and Members commented on the need to:

- provide a secure bike storage facility;
- ensure the maintenance of existing cycle lanes;
- encourage businesses to use side streets for loading/unloading; and
- take a similar approach in other areas of the town to improve safety and reduce congestion.

OPTIONS

The other potential decisions that had not been recommended included:

- a) Doing nothing that was not recommended, as it would not have allowed the Council to realise the benefits outlined within the report. That would have had an impact upon the Council's Town Centre Strategy, and other strategic objectives such as the recently approved *Cycling in Middlesbrough; Investment and Future Infrastructure Opportunities* report.
- b) Re-assessing the corridor proposals that was not recommended, as the proposals had been designed using internal and external expertise, identifying the most economic and safe utilisation of space. Any changes to the provision would have had significant implications for delivery, as each element was symbiotically balanced against one another. Any alterations would have deviated away from the DfT's cycle standards and not achieved the goals.
- c) Accept the proposals and deliver as anticipated. Following consultation, there may have been scope to accommodate minor alterations to the proposals, however it was recommended that the proposals were approved as presented in order to realise the benefits of:
 - improved safety/reduced accidents;
 - improved environment quality;

- reduced congestion;
- improved public realm; and
- improved access to key facilities.

ORDERED

That the ambitious, re-allocation of road space to deliver cycle infrastructure improvements along the Linthorpe Road corridor, as per plans contained in the appendices, be approved.

REASONS

The proposal was recommended as it aligned with a number of Council objectives, namely:

- improving safety along the corridor for all road users, and reducing accidents;
- making the corridor more pedestrian friendly, particularly for those with mobility issues;
- supporting the local economy; improving accessibility to local retail, leisure and services by improving facilities for short journeys to be made;
- reducing congestion along a busy corridor planned to improve air quality, reduce noise and help to improve the local environment;
- better use of the available space would improve the public realm; giving the space back to people as opposed to vehicles - helping the area to look and feel amazing;
- improving public health by reducing pollution, and creating an environment where people could travel actively, and be more likely to want to spend time in the area;
- ensuring the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) on Middlesbrough Council's Highway Network; and
- acting as a statement of intent to echo Governments ambitions to significantly increase cycle levels and adopt LTN 1/20 cycle infrastructure guidance.

The Council had identified a problem with localised congestion. Building roads and making improvements for cars would have simply induced further demand for vehicles, and further compounded that issue. By developing a suite of alternate mode infrastructure, the Council would be assisting in reducing the issue.

That transformational proposal planned to help set the tone as to what was achievable, providing a platform for further improvements and connectivity across the town. That was in line with the Council's ambitious proposals to mitigate the impact of economic and housing regeneration and growth, and supported the Middlesbrough Town Centre Strategy.

20/94 LOCAL COUNCIL TAX SUPPORT 2021/2022

The Executive Member for Finance and Governance and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to seek approval for the Council Tax Support (CTS) scheme for 2021/2022.

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 that 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 had been 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, therefore meant residents claiming CTS had a minimum of 15% of their Council Tax to pay as opposed to the previous 20% charge.

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

OPTIONS

The Council could have reduced or increased the amount of support awarded. However, as indicated, the Council recognised the financial challenges placed on residents through the Government's welfare reforms when increasing the CTS support 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 have needed to be carried out which had not taken place during the current financial year.

ORDERED

That Council Tax Support (CTS) scheme for 2021/2022 be approved and the report be considered at the full Council meeting, of 24 February 2021.

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. The roll out of Universal Credit (UC) in Middlesbrough, which commenced in October 2018, had been a challenge for some residents to claim CTS although the Revenues and Benefits Service had amended its procedures so that UC claimants could be smoothly transitioned on to CTS.

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.

20/95 LAND ADJACENT FORMER MIDDLESBROUGH WAREHOUSE SITE, SOUTH BANK ROAD/JAMES STREET, NORTH ORMESBY - DISPOSAL [PART A]

The Executive Member for Finance and Governance and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to provide information on the proposal to dispose of the Council's freehold interest in land adjacent the former Middlesbrough Warehouse Site.

Shown edged red on plan VAL 6048, attached at Appendix A of the submitted report, the subject property was situated on James Street occupying an irregular shaped site measuring @ 3.21 Acres [1.55 Ha], in a visually prominent position adjacent the A66 at North Ormesby.

An Asset Disposal Business Case (ADBC), confirming the status of the subject property as surplus to operational Council requirements, was attached as Appendix C to Part B of the report.

In accordance with the ADBC, Align Property Partners had been instructed to market the site for sale on behalf of the Council and to invite unconditional offers for the Council's freehold interest by 20 November 2020.

Marketing commenced in early September. Align reported a very healthy interest in the site, which had resulted in nine offers being submitted by the closing date and those were outlined in Part B of the report.

OPTIONS

Re-use for operational purposes - No Council operational service requirement had been identified.

Other uses - Although the property was capable of being used for other purposes, future use of the site for industrial/commercial purposes as proposed by the Buyer, was preferred.

Do nothing - The Council would not have received a significant capital receipt and the property would have remained in its present state. Whilst the subject property 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.

ORDERED

That the information contained in Part A of the report be noted and that the decision be taken once all the financial or exempt information contained in Part B of the report had been considered.

REASONS

In order to meet the Council's requirements to generate capital receipts, increase annually recurring revenue streams and to bring the subject property 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.

20/96 ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.

The Mayor advised that the Chair of the Overview and Scrutiny Board wished to make a statement in respect of the scrutiny call-in procedure.

The Chair of the Board advised that scrutiny was a legal requirement that provided nonexecutive Councillors with the opportunity to hold the Executive to account for the decisions and actions that affect their communities. It was highlighted that non-executive Councilllors had been questioning the credibility and effectiveness of the call-in procedure and comments had been made that the views of the Board were not debated or discussed by the Executive Members. Specifically, previously, when the Board had referred a decision back to the Executive for reconsideration, the findings of the Board had not been fully considered by Executive Members.

In response, the Mayor highlighted the importance of scrutiny and its role in scrutinising decisions of the Executive. The Mayor commented that the Executive welcomed the comments and findings of the Board and those were discussed/debated at both informal and formal meetings.

20/97 EXCLUSION OF THE PRESS AND PUBLIC

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

20/98 EXEMPT - LAND ADJACENT FORMER MIDDLESBROUGH WAREHOUSE SITE, SOUTH BANK ROAD/JAMES STREET, NORTH ORMESBY - DISPOSAL [PART B]

The Executive Member for Finance and Governance and the Director of Finance 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.

20/99 CONFIDENTIAL - PROJECT FUNDING

The Deputy Mayor and Lead Member for Children's Social Care and the Director of Public Health 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.

20/100 CONFIDENTIAL - PROJECT FUNDING

The Executive Member for Adult Social Care and Public Health and the Director of Adult Social Care and Health Integration 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. The two reports entitled 'CONFIDENTIAL - Project Funding' were added as urgent items and, following agreement from the Chair of the Overview and Scrutiny Board, will be exempt from call in procedures.

MIDDLESBROUGH COUNCIL



Report of:	eport of: The Elected Mayor of Middlesbrough; Chief Executive					
Submitted to:	Executive, 16 February 2021					
Subject:	Strategic Plan 2021-24					
<u></u>						

Summary

Proposed decision(s)	
That the Executive endorses the proposed Strategic Plan for 2021-24.	

Report for:	Key decision:	Confidential:	Is the report urgent?
Decision	No	No	No

Contribution to delivery of the 2020-23 Strategic Plan						
People Place Business						
	egic Plan for the 2021-24 period developments of the past year g three years.					

Ward(s) affected

Implementation of the priorities outlined within the proposed revised plan will positively impact on all wards in Middlesbrough.

What is the purpose of this report?

1. Prior to consideration by Full Council on 24 February 2021, this report seeks the Executive's endorsement of the proposed revised Strategic Plan for the period 2021-24.

Why does this report require a member decision?

- 2. The Strategic Plan is the Council's overarching business plan for the medium-term, and is typically refreshed on an annual basis. This refresh follows public consultation on a number of revised strategic priorities for the Council in light of the impacts of COVID-19 on local communities and the way the Council will do business in the future.
- 3. The Strategic Plan is part of the Council's Policy Framework and so requires the approval of Full Council, as set out in Article 4.2 of the Constitution. The Council's Budget and Policy Framework Procedure Rules provide for the Executive to draw up firm proposals on the Strategic Plan (Change Strategy) for submission to Full Council.

Report Background

- 4. Full Council approved a Strategic Plan for the period 2020-23 on 15 January 2020. This plan incorporated the then newly-elected Mayor of Middlesbrough, Andy Preston's key priorities for this term of office, setting out the Council's key strategic objectives in a single, concise document for the first time.
- 5. However, nine days after this plan was approved, the first case of COVID-19 in Europe was reported, with the first case in the UK confirmed a week later on 31 January, in York. The first confirmed death in Middlesbrough was on 19 March and it is now well-established that since then Middlesbrough has experienced one of the highest rates of confirmed COVID-19 cases in the UK.
- 6. The COVID-19 pandemic (with the UK, like much of Europe, now experiencing a second wave) is an event of unprecedented global impact. The response to COVID-19, and the recovery from it, has and will continue to have a significant impact on Middlesbrough's communities, its local economy and will also fundamentally change the way the Council does business in the future.
- 7. The Executive has received reports across the past year regarding the Council's response to COVID-19 and its developing recovery plan. The approach to recovery will seek to identify and realise opportunities to achieve longer-term regeneration and economic development in Middlesbrough and where appropriate build on the green and digital agenda that has been expedited by the pandemic response.
- 8. In light of this, it was considered necessary to review the Council's Strategic Plan to reflect the impacts from COVID-19 and other significant matters arising in the last year including the economic impacts of the UK's new trading arrangements with the EU and other blocs and nations.
- 9. On 16 December 2020, full Council agreed to retain the three simple and interrelated corporate strategic aims of People, Place and Business. These are both well-understood and remain responsive to the long-term issues facing Middlesbrough and to political direction.

- 10. Full Council also agreed to consult the public and other stakeholders on a set of nine revised strategic priorities to provide a greater focus for the remainder of the Mayor's term.
- 11. This consultation ran between 17 December 2020 and 31 January 2021, taking the form of the first annual 'Let's Talk' conversation with communities on direction of travel and future plans (including spending plans), which will in future years be further embedded within the Council's emerging locality working approach.
- 12. The further national lockdown during this period clearly had an impact on the response rate to the consultation (this has been evident in responses received by other local authorities in the region) and the Council did not seek to aggressively pursue responses given the ongoing emergency response. In summary:
 - The Let's Talk launch video, presented by the Mayor of Middlesbrough was viewed over 2,200 times and the subsequent 23 posts across the Council's Facebook and Twitter accounts resulted in a potential reach of 70,000 people.
 - 345 people responded to the Let's Talk Survey, providing almost 1,000 comments for consideration regarding the local area, Council services, the proposed strategic priorities and the proposed approach to the 2021/22 revenue budget.
- 13. Briefings for the Executive and all members have been held to outline the results of the consultation.

Proposed priority	% Agreement	% Disagreement
Children and young people	61%	13%
Vulnerability	61%	12%
Crime and anti-social behaviour	55%	32%
Climate change	43%	18%
COVID-19 recovery	60%	16%
Physical environment	57%	31%
Town centre	51%	24%
Culture	50%	14%
Quality of service	57%	21%

14. The proposed strategic priorities all received the majority support of respondents, as set out below.

- 15. Eighty seven comments on the proposed priorities were received, with a range of issues raised, most notably relating to physical development, community safety and the need to progress delivery and achieve benefits.
- 16. As such no changes to the proposed strategic priorities are considered necessary as a result of the consultation. Views and comments provided regarding the proposed approach to the 2021/22 revenue budget are set out in separate report on that matter presented to this meeting of the Executive. View and comments on the local area and Council services will inform the development of the Strategic Plan workplan to be considered by the Executive on 16 March 2021.

- 17. Appendix 1 therefore sets out a proposed revised Strategic Plan for the 2021-24 period. The plan now includes:
 - an introduction from the Mayor of Middlesbrough and the Chief Executive;
 - the Council's strategic aims and its corporate values;
 - progress to date;
 - strategic priorities for 2021-24;
 - delivery and outcomes;
 - further information.
- 18. Other matters previously outlined in the plan will be set out a range of Directorate Plans to be developed for 2021/22.

What decisions are being asked for?

19. That the Executive endorses the proposed Strategic Plan for 2021-24.

Why is this being recommended?

20. To enable Full Council to consider a Strategic Plan for the 2021-24 period at its meeting of 24 February 2021 that responds to impacts of the COVID-19 pandemic and other significant changes to the Council's operating environment arising in the past year.

Other potential decisions and why these have not been recommended

- 21. It is imperative that the Council effectively articulates and communicates an overarching plan to direct activity across Directorates towards the achievement of its strategic priorities.
- 22. The only other realistic potential decision would be to leave the Council's strategic objectives unchanged on the assumption that they are sufficiently flexible to accommodate responses to COVID-19 and other issues affecting the Council during 2020. However, this is not correct and neither would it represent an appropriate response to COVID-19, which will clearly impact local communities and the business of the Council for some years ahead.
- 23. The only other feasible decisions therefore relate to the structure of the document, and its horizon (i.e. reverting to an annual plan). It is strongly in the Council's interest to plan over the medium-term, in line with the indicative budgets over this period outlined by the Government. The proposed document achieves this while providing an appropriate level of detail for all audiences on the Council's planned activity over this period.

Impact(s) of recommended decision(s)

Legal

24. Implementation of the Strategic Plan will enable the Council to operate within the resources available to it, and continue to meet its various statutory duties, including the overarching Duty of Best Value.

Financial

25. The Strategic Plan and the Council's annual revenue and capital budgets are developed in parallel to ensure that there is full alignment between the Council's priorities and its spending plans. In outlining an achievable programme that delivers performance improvement within reduced resources, the Strategic Plan (and its supporting workplan) therefore demonstrates how the Council will deliver value for money for the taxpayer in the medium-term.

Policy framework

26. The Strategic Plan (Change Strategy) forms part of the Council's Policy Framework and as such must be agreed by Full Council. Approval of the proposed Strategic Plan by Full Council therefore will update the Policy Framework.

Equality and diversity

- 27. The proposed Strategic Plan has been subject to Level 1 (screening) equality impact assessments (at Appendix 2). This identified that no negative differential impacts on diverse groups and communities within Middlesbrough is anticipated from the delivery of the Elected Mayor's priorities or other activity set out within the Strategic Plan.
- 28. Detailed activity underpinning the Strategic Plan 2021-24 will be set out in the Strategic Plan workplan to be considered by the Executive at its meeting of 16 March 2021. This workplan and any initiatives arising from it (where required) will be impact-assessed separately.
- 29. The strategic priorities relating to vulnerability, crime and anti-social behaviour and COVID-19 recovery will be adopted as the Council's equality objectives for the period to 2024, in line with the requirements of the Equality Act 2010.

Risk

30. The proposed Strategic Plan sets out a range of activity to address the key risks set out within the Council's Strategic Risk Register, which is reported to the Executive on a quarterly basis.

Actions to be taken to implement the decision

- 31. Subject to the Executive's endorsement, the proposed revised Strategic Plan for 2020-24 will be presented to Full Council on 24 February 2021 for consideration.
- 32. To improve focus upon and strengthen delivery of the Strategic Plan, a supporting workplan will be developed in the period to March 2021, bringing together all current and planned activity in support of the Council's strategic priorities. This workplan will be presented to the Executive for approval on 16 March 2021, assuming Council approval of the proposed revised Strategic Plan as set out above.

Appendices

- 1 Proposed Strategic Plan 2021-24
- 2 Impact Assessment

Background papers

15/01/20 Council Strategic Plan 2020-23

Contact:Paul Stephens, Head of Strategy, Information and GovernanceEmail:paul_stephens@middlesbrough.gov.uk

Appendix 1: Strategic Plan 2021-24

Introduction

Welcome to our Strategic Plan for the 2021-24 period.

In January 2020, Council approved a Strategic Plan for 2020-23, with the expectation that we would make only minor changes to the plan during that period. Since then, of course, the world has changed significantly.

Just nine days after we approved our plan, the first case of COVID-19 in Europe was reported, with the first case in the UK confirmed a week later on 31 January, in York. The first confirmed death from COVID-19 in Middlesbrough was on 19 March and it is now well-established that since then we have experienced one of the highest rates of confirmed cases in the UK.

COVID-19 is an unprecedented global event that has and will continue to have a huge impact on our communities and our local economy. On behalf of the Council we want to express our sincere condolences to the families and friends of all those that have lost their lives and our sympathy to those that have and are continuing to experience health issues after contracting the disease. We also want to express heartfelt thanks to our staff, partners and local businesses and volunteers that continue to work tirelessly to reduce local transmission and support Middlesbrough's communities.

Recovery from COVID-19 will take some years, and will fundamentally change the way that we do business in the future. In the past year we have taken the time to review and streamline our priorities – set out in this plan – for the remainder of this Mayoral term in order to provide greater focus in this period, which will have both challenges and opportunities.

Building on our close engagement with local communities, businesses, families and individuals during the pandemic, we will ensure that our priorities are properly resourced and effectively delivered – so that together we build a better Middlesbrough for all.

Andy Preston Elected Mayor of Middlesbrough Tony Parkinson Chief Executive

Our aims

We have three simple, interrelated aims:

People	Working with communities and other public services in Middlesbrough to improve the lives of local people.
Place	Securing improvements in Middlesbrough's housing, infrastructure and attractiveness, improving the town's reputation, creating opportunities for local people and improving our finances.
Business	Promoting investment in Middlesbrough's economy and making sure we work as effectively as possible to support our ambitions for People and Place.

Our values

We will deliver our aims in line with our values, which underpin everything we do:

Passion	We believe in Middlesbrough and are proud to work for the town.
Integrity	We are open and transparent and treat everyone with respect.
Creativity	We have the courage to try new ideas and new ways of working.
Collaboration	We work with others to make Middlesbrough better.
Focus	We are clear about what we will deliver to meet the needs of the town.

Progress to date

Over the past year a number of significant achievements have been made in line with our aims, including:

- New street warden team
- TS1 Public Spaces Protection Order
- Mobile CCTV patrols
- CCTV expansion
- ASB legal actions
- Revised ASB policy
- Free bulky waste collections
- Town-wide pothole purge
- Stop the Knock
- New commissioning model for complex needs

- New youth provision model
- Initial response to Ofsted's inspection of our Children's Services
- Planting 10,000 new trees
- Prissick Base housing scheme
- Gresham housing scheme
- Centre Square office lettings
- Boho Zone North
- Boho X
- Buy Boro scheme
- COVID-19 response.

Our priorities for 2021-24

Our priorities for the next three years are set out below.

Supports the Lead Priority Description Political Lead(s) following Directorate(s) aim(s) We will show Middlesbrough's **Deputy Mayor** children that they matter and and Lead Member Children and work to make our town safe and People for Children's young people welcoming and to improve Adult Social Care Social Care; outcomes for all children and and Health Executive young people. Integration; Members for Children's We will work to address the Communities and Services causes of vulnerability and Education and Vulnerability People inequalities in Middlesbrough Adult Social Care and safeguard and support and Public Health those made vulnerable. (E) Mayor of We will tackle crime and anti-Middlesbrough; Crime and anti-People, Environment and social behaviour head on, Executive social Place and working with our partners to Community Member for behaviour **Business** ensure local people feel safer. Services Communities and (E) Education Mayor of Environment and Middlesbrough; People, We will ensure our town acts to Community Executive Place and **Climate change** tackle climate change, Services; Members for **Business** promoting sustainable lifestyles. Regeneration and Environment and Culture Regeneration We will ensure the recovery of local communities, businesses People, COVID-19 and the Council's operations Mayor of Chief Executive; Place and recovery from COVID-19, taking Middlesbrough all Directorates **Business** opportunities to build back better. (E) We will work closely with local Mayor of Environment and communities to protect our Middlesbrough; Community Physical People and green spaces and make sure Executive Services; Place Members for environment that our roads, streets and open Regeneration and spaces are well-designed, clean Environment and Culture and safe. Regeneration Mayor of We will transform our town Middlesbrough; Regeneration and centre, improving accessibility, People, Executive revitalising unused assets, Culture; Town centre Place and Members for developing iconic new spaces Environment and **Business** Communities and and building more town centre Communities Education and homes. Regeneration We will invest in our existing Executive People, Regeneration and cultural assets, create new Member for Culture Place and spaces and events and improve Communities and Culture Business access to culture. Education Finance; Legal We will ensure that we place Executive and Governance communities at the heart of Members for People, Services: Quality of what we do, continue to deliver Finance and Environment and Place and service value for money and enhance Governance and Community Business the reputation of Communities and Services Middlesbrough. Education

Е

Corporate equality objective

Delivery and outcomes

We will develop and maintain a robust workplan to ensure that activity in support our strategic priorities is delivered effectively. If we are successful, we will see sustained improvements in the following outcomes up to and beyond 2024. We will report on our progress every three months.

- Crime and anti-social behaviour
- Street warden productivity
- Residents feeling safe
- Protected public space
- Brownfield development
- Tree cover
- Recycling
- OFSTED inspection outcomes
- Satisfaction with adult social care
- Dementia-friendly businesses
- Social and digital inclusion
- Town centre visits
- New homes built, including affordable homes
- Road and footpath condition
- Investment and jobs
- Town centre occupancy
- Festivals and events
- Council spending with local businesses
- Satisfaction with the Council
- Satisfaction with Middlesbrough as a place to live
- Overall resident life satisfaction.

Further information

You can find more information on our future plans for Middlesbrough on our website <u>www.middlesbrough.gov.uk</u>. Main documents include:

Joint strategic needs assessment Strategic plan workplan

People

Health and wellbeing strategy Adult prevention strategy South Tees health and social care integration plan Children and young people's plan Community cohesion plan

Place

City centre strategy Local plan Housing strategy Cultural strategy Local transport plan

Business

Tees Valley strategic economic plan Middlesbrough investment prospectus Medium term financial plan Annual governance statement Customer strategy Digital strategy Information strategy

If you have any questions about our strategic plan, or want to work with us to deliver our priorities, please contact us at: strategicplan@middlesbrough.gov.uk.

Appendix 2: Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Strategic Plan 2021-24							
Coverage:	Overarching / crosscutting							
	Strategy	Policy	Service					
This is a decision relating to:	Process/procedure	Programme	Project					
	Organisational change	Other (please state)	Other (please state)					
It is a:	New approach:		Revision of an existing appro	oach:				
It is driven by:	Legislation: Image: Constant of the second seco							
Description:	events in 2020 following public co 2024. Statutory drivers Local Government Act 1999; Equ Differences from any previous This document amends the strate Key stakeholders and intended Elected members, employees of the Intended outcomes To ensure that the Council's strate	revisions to the Council's strateg onsultation. The document also in ality Act 2010. approach gic priorities set out in the curren I beneficiaries (internal and ext the Council, local communities ar egic objectives are clearly articul		eriod. eholders, and that the Council				

Live date:	Following approval by Council on 24 February 2021.					
Lifespan:	Reviewed annually.					
Date of next review:	November 202	1				
Screening questions		Response		ISE	Evidence	
ooreening questions		No	Yes	Uncertain		
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?					No. Implementation of the proposed Strategic Plan would not contravene Human Rights as identified in national legislation.	
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?					No. The Strategic Plan commits to reducing inequalities within Middlesbrough, for example within experience of crime or within health, incorporating the Council's equality objectives for the period to 2024. It responds to increased inequalities locally arising from the COVID-19 pandemic. As a result there are no concerns that the Plan or associated activity could have a disproportionate adverse impact on groups or individuals with characteristics protected in national legislation.	
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?					No. The Plan commits to improving community engagement within the town (within the Quality of Service priority), which will result in direct benefits for cohesion. As a result there are no concerns that the proposed plan could have an adverse impact on community cohesion.	
Assessment completed by:		Paul Stephens, Head of Strategy, Information and Governance				
Date:		2 February 2021				
LMT approver:		Tony Parkinson, Chief Executive				
Date:		2 February 2021				

MIDDLESBROUGH COUNCIL



Report of: The Elected Mayor of Middlesbrough; Chief Executive						
Submitted to:	Executive - 16 February 2021					
Subject:	Strategic Plan 2020-23 - Progress at Quarter Three 2020/21					

Summary

Proposed decision(s)

- That the Executive notes progress made in implementing the Council's Strategic Plan 2020-23 in Quarter Three 2020-21 and the ongoing and likely future impact of COVID-19 on strategic objectives where they are known at this stage.
- That in light of the above, the Executive notes the Council's updated Strategic Risk Register at Appendix 1.

Report for:	Key decision:	Confidential: Is the reporturgent?	
Information	No	No	No

Contribution to delivery of the 2020-23 Strategic Plan					
People	Place	Business			
Quarterly monitoring, review and action planning plays a central role in ensuring that the Strategic Plan is delivered effectively.					

Ward(s) affected

None.

What is the purpose of this report?

1. This report advises the Executive of progress against the 2020-23 Strategic Plan and outlines strategic risks at Quarter Three 2020/21.

Why does this report require a member decision?

- 2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance, together with associated action.
- 3. This report provides 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, where they are known at this stage;
 - an update on the Council's Strategic Risk Register; and
 - actions that the Council has taken and plans to take to address the issues raised.
- 4. The financial projections for Quarter Three are presented separately at the same meeting of the Executive, and so not repeated here. Where performance has a significant impact on financial performance that is highlighted across both reports.

Report Background

Strategic Plan 2020-23

5. The Council is in the process of refreshing its Strategic Plan in the light of COVID-19, with a separate report to this meeting setting out proposed changes for the endorsement of the Executive prior to consideration by full Council. This report outlines progress against the current Strategic Plan which was approved by Council on 15 January 2020.

COVID-19 Recovery Plan update

- 6. At its meeting of 24 November 2020, the Executive approved a revised approach to the Council's COVID-19 Recovery Plan. Approval of minor amendments to in-quarter timescales against Recovery metrics and timescales was also delegated to the Council's Recovery Group (chaired by the Chief Executive), with any significant variation to approach or deliverables reported via the quarterly Strategic Plan progress reports.
- 7. Since November, work was undertaken to ensure revised metrics are reflective of the longer-term considerations for Recovery and supported by robust milestone delivery plans. As at January 2021, progress against the plan (by Strategic Plan aim and workstream) was assessed as follows:

Strategic Plan aim	Recovery workstream	Headline metrics	G	Α	R	Overall RAG
People	Health and Wellbeing	3	3	0	0	G
	Children's Care	3	2	1	0	А
	Adult Social Care	4	1	2	1	R
	Education and Skills	3	2	1	0	А
Place	Environment and Infrastructure	3	3	0	0	G
	Business, Economy and Town Centre	5	5	0	0	G
Business	Council Services and Priorities	5	4	1	0	А
<u></u>	Total	26	20	5	1	R

- 8. The current overall Red status of the plan reflects the recent surge in COVID cases, nationally imposed restrictions and a renewed focus on Response, as opposed to Recovery.
- 9. As such and following detailed assurance against Recovery progress, a decision was taken by the Recovery Group on 7 January 2021 in line with its delegated authority to pause all Recovery sub-group meetings and associated activities until national lockdown arrangements are reviewed and the impact upon Middlesbrough is fully understood, at which point Recovery approaches and priorities will be revisited / revised, where appropriate.
- 10. A further update will be provided as part of the Year-End Strategic Plan progress report, with further changes to arrangements proposed if appropriate.

Progress against strategic priorities at Quarter Three 2020/21

11. The following paragraphs set out in brief the key headlines from Quarter Three relating to the Council's *current* strategic priorities, including where available current estimates of the impact of COVID-19 and future plans.

💮 People

Tackling crime and anti-social behaviour head on (Mayoral priority)

- 12. The impact of COVID-19 on crime and anti-social behaviour (ASB), both nationally and within Middlesbrough, remains significant.
- At 52.0 incidents per 10,000, the combined recorded crime and ASB measure in Middlesbrough showed a 4% decrease at the end of Quarter Three 2020/21 from Quarter Two.
- 14. The rate at Quarter Three was also 4% below the rate for the same period in 2019/20, and 10% lower than 2018/19. The quarterly movement of crime and ASB rates since the start of 2018/19 is shown in the graphic below, showing the fall in crime and rise in ASB (due to COVID-19 infractions) in the immediate lockdown

periods in Quarter One and around Christmas in Quarter Three, and the subsequent rise in crime as lockdown restrictions eased.



- 15. Eight wards demonstrated an increased combined rate during Quarter Three, driven primarily by increases in ASB:
 - Hemlington increased by 46% (following a reduction of 22% in the previous quarter);
 - Berwick Hills & Pallister increased by 19% (following a reduction of 15% in the previous quarter);
 - Linthorpe increased by 17% (following an increase of 6% in the previous quarter);
 - Stainton & Thornton increased by 13% (following a reduction of 9% in the previous quarter);
 - Coulby Newham increased by 9% (following a reduction of 22% in the previous quarter);
 - North Ormesby increased by 9% (following a reduction of 6% in the previous quarter);
 - Nunthorpe increased by 8% (following a reduction of 35% in the previous quarter); and
 - Park End & Beckfield increased by 8% (following a reduction of 16% in the previous quarter).
- 16. The Council continues to implement a range of actions to tackle crime and anti-social behaviour in the town in partnership with Cleveland Police and other agencies, with street wardens issuing 636 warnings and 58 Fixed Penalty Notices during the past six months.
- 17. Concern about the potential longer term impact of COVID-19 on mental health and substance misuse has been well-reported nationally. The new commissioning model for complex needs will seek to address these issues by improving outcomes for people with complex, multiple needs and remains on track to launch in April 2021.

Ensuring Middlesbrough has the very best schools (Mayoral priority)

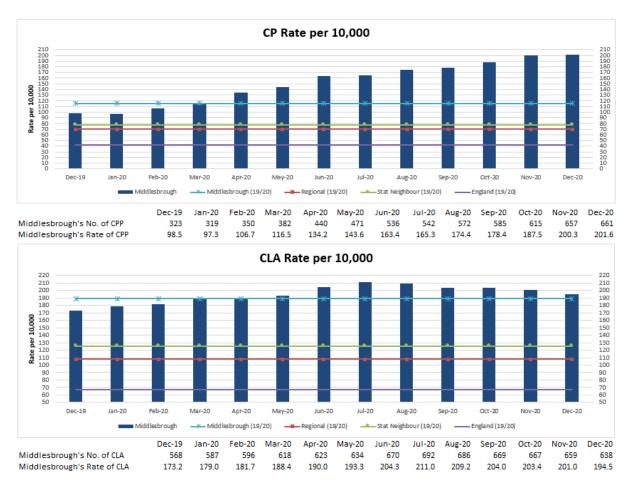
- During Quarter Three the Department for Education published the Teacher Assessed Key Stage Four results. Middlesbrough children achieved 64.8% in grades 9-4 in English & Maths, against a national of 65.9%.
- 19. The DfE also announced that exams in 2021 will not go ahead as normal due to the ongoing pandemic. Further details on the approach for 2021 will be released in due course.
- 20. The Education and Partnerships Directorate continues to focus on ensuring that the most vulnerable children in the town are still able to engage in school work, and attend school where it is in their best interests to do so. To that end the Council is investing £60,000 in laptops, tablets, keyboards and dongles for the most disadvantaged children and young people across Middlesbrough schools where a need has been identified, ensuring digital access and connectivity for all students to participate in remote learning throughout Lockdown and beyond.
- 21. It is commonly acknowledged that months of lost time in school and longer-term changes to schooling arrangements are likely to have a significant detrimental effect on pupil attainment (particularly that of disadvantaged groups) in future years. The impact of COVID-19 on inequalities in educational outcomes continues to be a key focus of the Council's Recovery Plan.

Ensuring our town is an absolute leader on environmental issues (Mayoral priority)

- 22. The proportion of household waste in Middlesbrough sent for reuse, recycling or composting was 33.7% during the previous quarter, up from 29.5% recorded in Quarter One. While this is an improvement it is expected that the figures for Quarter Three will see a reduction, as green waste collections stopped for the winter.
- 23. On 24 November 2020, the Executive approved the introduction of fortnightly refuse collections. At a subsequent meeting, following further information in respect of the Council's financial position, a decision was agreed to not introduce these measures at this time. A separate report is presented to this meeting of the Executive, outlining an enhanced recycling engagement approach.
- 24. After planting more than 700 trees last year across the town last year as part of the emerging Green Strategy, it has been taken one step further by offering free trees to residents to coincide with National Tree Week.
- 25. On 1 September 2020, the Executive approved consultation on the adoption of an emerging Green Strategy to deliver on the Council's obligations to address climate change. Consultation was originally due to close in mid-January 2021, but was extended to the end of that month. A report outlining findings from the consultation and next steps will be presented to the Executive in March.

Promoting the welfare of and protecting our children, young people and vulnerable adults / Transforming Children's Services

26. The Child Protection (CP) Plan rate rose from 178.4 per 10,000 to 201.6 at Quarter Three, while the rate of children looked after (CLA) by the Council decreased from 204.0 per 10,000 at Quarter Two to 194.5 (as shown in the graphs below). This increase in CP is an ongoing trend, at Year-end 2019/2020 it was 116.5 per 10,000. While the decrease in the rate of CLA by the Council is positive, both CP and CLA rates continue to be the highest in the North East.



- 27. The declining rate of children looked after by the authority since its high of 211.0 per 10,000 in July 2020 can be attributed to improvement work being undertaken within the service. Following the OFSTED inspection thresholds have been reviewed and re-aligned, and new strategies to help reduce the number of children in care are starting to bear fruition, examples of which are detailed below. A good indicator that improvement work is having results can be seen when comparing our figures with those of other local authorities, where they are seeing a continuing rise in CLA.
 - The threshold and response to new admissions to care have been realigned to
 reduce reactive care admissions as a result of family breakdown. This is
 supported by a revised approach from the service and from the additional support
 from the Futures for Families (FFF) model. While showing initial improvement of
 overall care admissions, the Safeguarding and Care Planning service will need to
 refer automatically where there is a risk of care admission as a result of family
 breakdown. This will become more challenging in the months ahead as the FFF

service reaches its capacity and creative wrap-around packages will be put into place to continue the current trajectory.

- The revised approach to pre-proceedings and gateway means that the number of urgent applications being made to court is reducing as a more focused pre-proceedings approach is taken, and improved 'front loading' of cases will start to emerge. This is in the infancy of its implementation and the impact will be measured going forward taking into account court comparator data from CAFCASS.
- Innovate Children and Young People's Services was commissioned in July 2020 to provide a team of social workers to progress 90 children subject to a Care Order. The aim of the intervention was to provide permanence for children, achieve placement stability, and support children out of residential placements back into family life, thus improving outcomes for children and reducing Middlesbrough's CLA population.
- 28. The continuing increase in the rate of children subject to CP also demonstrates a realignment of thresholds, and the continuing efforts of the Council to ensure that children receive the right level of support for their needs. Schools have reported a greater level of complexity in cases, partly due to the lack of available earlier interventions during the first national lockdown, which prevented the escalation of risk. One third of assessments completed have domestic abuse as a factor, due to a higher level of need presented, which reaches a social care threshold as a result of the lockdown and a reduced early intervention offer.
- 29. While significant work remains to do to improve the quality of practice for children and young people in other areas, there are pockets of improvement emerging:
 - Key compliance performance figures are improving, such as contact to referral in 24 hours, which reached 95% by the end of the Quarter, and all other contacts were at 93%, in line with performance targets, with improvements sustained over two months. Incremental target setting has been successful in the Directorate performance clinic and the service has responded to this.
 - Audits shows improvements in practice as overall judgements of grades have improved and we are seeing particularly improvement practice is key practice areas such as the voice of the child.
- 30. The Children's Services improvement programme continues to be scrutinised by the Department for Education and Ofsted. A recent independent report (November 2020) commissioned by the Children's Minister Vicky Ford identified the right improvements were being driven by the Directorate and the comprehensive improvement plan is addressing the failures Ofsted identified in the December 2019 inspection.

Working with communities to improve local health and wellbeing / Joining up health and social care

- 31. It is clear that COVID-19 will have a negative impact on health inequalities, which are already pronounced within Middlesbrough, particularly around obesity, mental health and substance misuse, and healthy life expectancy.
- 32. As reported during Quarter Two, the Council has developed a health inequalities toolkit to support COVID-19 recovery planning and ensure proper consideration was given to the impact the virus has and will continue to have on groups and individuals

and where these impacts might be greater. This toolkit was approved during Quarter Three, and Health Scrutiny has acknowledged it as a key tool for developing inclusive economies. Advanced public health practitioners have been allocated to support each of the recovery work streams in the identification and mitigation of health inequalities as part of recovery. This work has led to some positive engagement on the inequalities agenda, including:

- incorporating health care infrastructure into town centre design as part of the refreshed Town Centre Strategy, alongside ensuring that local developments take into context the health and care needs of communities; and
- an invitation for Public Health to join a bid team with Regeneration and Teesside University for research regarding strategic developments in housing and area 'liveability'.
- 33. The council is continuing to provide support to the health and social care sectors. During Quarter Three it has worked closely with the NHS to support hospital discharges as part of efforts to ensure the NHS is not overwhelmed by cases during the current wave of the pandemic. It is also continuing to act as a co-ordinator for PPE supplies for the care sector, and education. In addition, during Quarter Four it will be co-ordinating vaccine access to social care front line staff within the Council and the wider sector.

Working with local communities to redevelop Middlesbrough's disadvantaged estates

- 34. Locality working is now operating in both localities agreed by the Executive during Quarter Two, with a small number of operational staff physically using the locality hubs and a wider multi-agency team working remotely. A strategic Design and Implementation Group is meeting monthly to oversee the development of action plans based on community-led priorities.
- 35. Community involvement work has been delayed by the current COVID-19 lockdown, however communication with key community members has enabled locality managers to plan community projects that will resume as soon as restrictions lift. In addition, significant work has taken place in Newport linked to 'safer streets' and this is having positive impacts on the neighbourhood.

Place

Transforming our town centre (Mayoral priority)

36. Town centre footfall decreased by 11% in Quarter Three from Quarter Two (from 2,610,000 to 2,311,000). The decrease was primarily driven by reduced footfall in November, at just under half a million. Footfall in December, with Christmas and late night shopping, increased to 1,048,000 – the highest monthly figure since recording commenced in February 2020. However, the continued closure of some premises, national consumer confidence and most particularly the continued absence of the office-based town centre workforce will continue to have an impact on footfall within the town centre.

Building more town centre homes – and protecting our green spaces (Mayoral priority)

- 37. Ninety two houses were completed during Quarter Three, increasing performance from 33% to 35% of the overall Investment Prospectus target.
- 38. During the quarter the Council received £14.1m from the Government's Future High Streets Fund to boost population and create a regional leisure hub. The bid envisages 650 new homes to be built in the town centre for around 1,500 residents.

Making Middlesbrough look and feel amazing (Mayoral priority)

39. The 20-week initiative to purge Middlesbrough's potholes was successfully completed during the quarter. The scheme repaired 5,350 defects (equivalent to 26,750 individual potholes), with 13,898m² patches completed and 17,663m² of carriageway surfacing undertaken by the Council's main contractor.

Implementing our cultural strategy

- 40. The Council's performance venues remained closed in Quarter Three in line with COVID-19 restrictions, however Middlesbrough Mela 2020 received national recognition in being named as a winner in the 'Best Online Mela' category by the UK Bhangra Awards 2020.
- 41. The impact of COVID-19 on the Council's culture ambitions will continue to be a key focus of its Recovery Plan when activity is resumed.

Improving Middlesbrough's rail connectivity

42. As reported at Quarter One, a £35m local partnership has been formed to transform Middlesbrough station, with support from train operators. The scheme will deliver more train services to the town, including a direct rail link to London, platform extensions to accommodate longer trains and major customer service improvements. It will be a major contributor to the regeneration of the surrounding area, with accompanying business units on Zetland Road, with works to commence in January 2021 with the extension of platform 2.

Developing Middlehaven as a residential, leisure and commercial centre

43. New plans for the flagship development at the heart of Middlesbrough's Digital City, Boho X, were submitted in December 2020. Part-funded by £26.5 million from the Tees Valley Mayor and Combined Authority, the development will bring 60,000 sq. ft. of high-quality Grade A office space for the digital and creative sector.

Business

Winning investment and creating jobs (Mayoral priority)

44. Commercial and housing investment in Middlesbrough remains in line with targets, with 52.2% of the overall Investment Prospectus targets achieved at the end of the quarter – up from 50.7% at the end of Quarter Two. As with previous quarters, the rate of growth remains low given the ongoing pandemic.

- 45. The number of new jobs attributable to the Investment Prospectus increased to 26.2% of the overall Investment Prospectus target (up from 25.1% at the end of Quarter Two), again this reflects the impact of the pandemic, but remains significantly above target.
- 46. The overall employment rate for Middlesbrough dropped slightly from 65.1% at the end of Quarter One, to 64.2% at the end of Quarter Two. Data is released a quarter in arrears, so the impact of COVID-19 will not be fully seen in the figures until Quarter Three at the earliest.
- 47. The rise in unemployment as a result of COVID-19 poses a significant risk to living standards claimant count in Middlesbrough for November remains at 10.2%, 3% above the regional, and 3.9% above national averages. Following recent restrictions and the subsequent lockdown, this is only expected to increase in December and January data.
- 48. A major focus of the Council's Recovery Plan will therefore be to support those sectors hardest hit by COVID-19, preserving local businesses and jobs, and supporting the unemployed once recovery activity is resumed.

Introducing a new era of transparency and openness (Mayoral priority)

- 49. COVID-19 has expedited the transparency agenda significantly, with all Council committees currently being broadcast live on social media.
- 50. Over 935 datasets are now available on the Council's Open Data site. The site is refreshed on a weekly basis with additional data added in response to request from residents, members, regulators, and others.
- 51. The Council launched 'Let's Talk' in December 2020 to seek the views of residents and businesses on proposed revisions to its strategic priorities and approach to the 2020/21 revenue budget. The outcome of this consultation is set out in separate reports to this meeting of the Executive on those matters.

Creating positive perceptions of our town on a national basis (Mayoral priority)

52. A Marketing and Communications Delivery Plan for 2021-23 continued to be developed during Quarter Three. Once finalised this plan will guide the Marketing and Communications team work in relation to the refreshed Strategic Plan. The delivery plan will be presented to the Corporate Management Team and the Ad-Hoc Scrutiny Panel during Quarter Three for their views.

Developing and delivering balanced budgets every year

53. The Revenue and Capital Budget / Projected Outturn Position at Quarter Three 2020/21 report presented to the Executive today outlines the current financial position facing the Council, with a total projected outturn pressure on the revenue budget at year end 2020/21 of £2.796m, comprising of a non-COVID underspend of £294,000 against the revenue budget, and £3.090m relating to COVID-19 pressures. This is a reduction to the total projected outturn pressure from the £4.405m reported at Quarter Two. The overspend in 2020/21 will be covered by the General Fund Reserve, as approved by Council on 2 September 2020.

- 54. The Council's spending with local businesses reduced below target in Quarter Three to 31% of overall expenditure, largely as a result of the ongoing pandemic. The 'Buy Boro' campaign continued to be promoted in the quarter to protect and promote Middlesbrough's small businesses through the COVID-19 outbreak and beyond.
- 55. The number of customer transactions undertaken online during Quarter Three was 59% higher than Quarter Two at 264,000, largely as a result of new services being available online such as COVID-19 Winter Grant Application forms, and Household Waste Recycling Centre bookings. Numbers to date are cumulatively 41% over the target for the year to date.

Making sure our management practices compare with those of the best

- 56. During Quarter Three the Council's External Auditors, EY, provided their assessment of the Council to Corporate Affairs and Audit Committee. They issued an unqualified opinion on the financial statements made by the Council. The Value for Money opinion was qualified on the grounds they were 'unable to conclude that the Council had proper arrangements in place to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people within its children's social care services during 2019/20 given the significant findings raised by the Ofsted inspection published in January 2020.'
- 57. The Council is addressing these matters through the Children's Services Improvement Plan, as outlined within this report.

Becoming recognised as a good employer

- 58. Employee sickness absence increased from an average of 3.6% of working time at the end of Quarter Two to an average of 4.7% during Quarter Three, reflecting primarily the increase in COVID-19-related absence. At the same point in 2019/20 employee sickness stood at 4.2%.
- 59. The Council continues to support its workforce through the pandemic through the provision and effective utilisation of remote working technologies and a range of individual support initiatives, including face-to-face counselling. While under current restrictions employees must work at home wherever possible, an exceptions process is in place to allow employees access to office space in view of their household or personal circumstances, subject to a robust managerial risk assessment.
- 60. While disrupted by the current lockdown, planning for the eventual large-scale reoccupation of office space has continued, with building layouts being redesigned against agreed design standards.

What decisions are being asked for?

- 61. That the Executive notes progress made in implementing the Council's Strategic Plan 2020-23 in Quarter Three 2020-21 and the ongoing and likely future impact of COVID-19 on strategic objectives where they are known at this stage.
- 62. That in light of the above, the Executive notes the Council's updated Strategic Risk Register at Appendix 1.

Why is this being recommended?

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

Other potential decisions and why these have not been recommended

64. Not applicable.

Impact(s) of recommended decision(s)

Legal

65. The proposed recommendations are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

Financial

66. There are financial implications relating to some performance issues and COVID-19 recovery activity outlined in this report. These are summarised in the Revenue and Capital Budget / Projected Outturn Position at Quarter Three 2020/21 report considered by Executive at this meeting.

Policy framework

67. The Strategic Plan and associated budgets form part of the Council's Policy Framework.

Equality and diversity

- 68. As reported to Council in January 2020, no negative differential impact on diverse groups and communities is anticipated from the direction of travel set out in the Strategic Plan 2020-23.
- 69. As reported to the Executive in June 2020, no negative differential impacts on diverse groups and communities within Middlesbrough are anticipated from the delivery of activity set out within the COVID-19 Recovery Plan, which in part aims to address the assumed increase in local inequalities in income, health, educational attainment and other areas arising from COVID-19.

Risk

- 70. In line with the Council's Risk and Opportunity Management Policy, the corporate Strategic Risk Register (SRR) was reviewed in the quarter.
- 71. At Quarter Three 2020/21, the total number of risks on the SRR remained at 35 (23 red, 11 Amber and one green) but with some movement. The SRR is summarised at Appendix 1.
- 72. Three risks have reduced to a level below the SRR threshold and will be monitored at Directorate level:

- insufficient Year 7 school places to meet demand, due to the opening of the new school at Middlesbrough College and allocation of places;
- failure of Centre Square development to provide expected returns, as lettings have advanced beyond business case assumptions; and
- failure of TeesAMP development to provided expected benefits and returns, as over 50% of the development is now let, or in contractual positions, beyond business case assumptions.
- 73. Three new risks were added:
 - failure to achieve full reimbursement from Government for costs incurred responding to COVID-19 to date;
 - the risk of business continuity being impacted by a 'No Deal' BREXIT has been closed following the UK / EU Trade and Security Agreement in December 2020, and replaced with a new risk focused on the risk of the agreement and ensuing discussions on matters including data protection adversely affecting Council operations in future; and
 - corporate procurement policies not being adhered to a risk that was identified as part of work to strengthen risk recording within the Finance directorate, rather than because of a new, emerging risk.
- 74. The severity of five existing strategic risks reduced during Quarter Three:
 - external factors (e.g. Brexit, COVID-19) impacting Middlesbrough's economy reduced as a late trade deal was agreed with the EU at the end of 2020, which has improved the circumstances for mitigated trade disruption and the depth of any future economic shock;
 - inaccurate MTFP resulting in funding gap requiring further savings has reduced as more certainty for 2021/22 following the provisional Local Government Finance Settlement;
 - the risk of a terrorist incident (reflects National Threat Level) has *reduced* in the short term due to a reduction in the likelihood of large gatherings occurring;
 - limited or no partnership involvement due to COVID-19 with the Children's Service Safeguarding Improvement Plan has *reduced* as partners now involved via Strategic Board, supported by Children's Trust, and COVID planning incorporates partners; and
 - poor skills profile of school leavers has *reduced* as NEET figures remain low for Middlesbrough, and strong links between CLC / Middlesbrough College and schools to ensure avoidance of NEET.

Actions to be taken to implement the decision(s)

75. Mitigating activity set out in the main body of the report will continue to be applied by Directorates as stated.

Appendices

1 Summary Strategic Risk Register at Quarter Three 2020/21

Background papers

15/01/20 18/02/20	Council Executive			
16/06/20	Executive	Strategic Plan 2020-23 – Progress at Year-end 2019/20		
18/08/20	Executive	Revenue and Capital Budget / Projected Outturn Position at Quarter One 2020/21		
18/8/20	Executive	Strategic Plan 2020-23 – Progress at Quarter One 2020/21		
24/11/20	Executive	Strategic Plan 2020-23 – Progress at Quarter Two 2020/21		
Contact: Email:	Paul Stephens, Head of Strategy, Information and Governance paul_stephens@middlesbrough.gov.uk			

Appendix 1: Summary Strategic Risk Register at Quarter Three 2020/21

The table below sets out high and medium risks to the achievement of the Council's strategic priorities at Quarter Three 2020/21 in order of severity, with impacts ranging from insignificant to extreme, and likelihood ranging from rare to almost certain to happen.

In line with its Risk and Opportunity Management Policy, the Council aims (where possible) to manage down High risks to the lowest practicable level immediately and Medium risks to the lowest practicable level within three months.

Risk Level	Risk	Likelihood	Impact	Trend
High	Failure to control expenditure within Children's Services (MFTP pressure).	Likely	Extreme	€
High	Failure to achieve full reimbursement from Government for costs incurred in responding to COVID-19 to date and risks of further costs being incurred as a result of local outbreaks (MTFP pressure).	Possible	Extreme	\ominus
High	Insufficient funding to meet increased expenditure that might be incurred from increased demand as a result of COVID-19 (MTFP pressure).	Possible	Extreme	€
High	Failure to adapt service delivery to COVID-19 Secure guidelines.	Possible	Extreme	
High	External factors (e.g. Brexit, COVID-19) impacting Middlesbrough's economy.	Likely	Major	
High	Retail market distress impacting Middlesbrough town centre.	Likely	Major	
High	Breach of data rights due to untimely response to information requests.	Likely	Major	€
High	High residential voids / low sale values within Middlesbrough.	Likely	Major	€
High	Inadequate safeguarding practices lead to children and young people being at risk.	Likely	Major	
High	UK / EU Trade and Security Deal adversely affecting Council operations.	Possible	Major	NEW
High	Historical investigations requiring changes to social work practice.	Possible	Major	€
High	Inaccurate MTFP resulting in funding gap requiring further savings.	Possible	Major	
High	Partners' funding position impacting the Council (MTFP pressure).	Possible	Major	
High	Children impacted by social care transformation.	Possible	Major	€
High	New historic child abuse claims.	Possible	Major	Э
High	Failure to maintain adequate corporate governance.	Possible	Major	
High	Failure to align operations and culture within strategic objectives.	Possible	Major	

Risk Level	Risk	Likelihood	Impact	Trend
High	Decline in new housebuilding impact on Council income.	Possible	Major	Э
High	Failure to adequately plan for new COVID-19 wave or subsequent pandemics.	Unlikely	Extreme	Θ
High	Failure to comply with statutory duties.	Unlikely	Extreme	\ominus
High	Terrorist incident (reflects National Threat Level).	Rare	Extreme	
High	Failure to adhere to corporate procurement policies.	Likely	Moderate	NEW
High	Disruption from national / local elections.	Likely	Moderate	Θ
Medium	Failure to develop effective partnerships.	Unlikely	Major	€
Medium	Data protection law breach – failure of staff to complete training.	Unlikely	Major	€
Medium	National Waste Review (MTFP pressure).	Unlikely	Major	Э
Medium	Future waste disposal contract costs (MTFP pressure).	Unlikely	Major	Θ
Medium	Reduction in frontline policing impacting on crime / community resilience.	Possible	Moderate	Э
Medium	Failure to recruit and / or retain key staff.	Possible	Moderate	Э
Medium	Limited or no partnership involvement due to COVID-19 with the Children's Service Safeguarding Improvement Plan.	Possible	Moderate	
Medium	Poor skills profile of school leavers.	Unlikely	Moderate	
Medium	Inward migration increasing demand for services.	Unlikely	Moderate	Θ
Medium	Insufficient primary school places in central Middlesbrough.	Unlikely	Moderate	\ominus
Medium	Poor quality of services provided by health partners impacting / increasing demand for Council services.	Possible	Minor	€
Low	Insufficient year 7 school places available to meet demand over the next 5 years	Unlikely	Moderate	\ominus

MIDDLESBROUGH COUNCIL



Report of:	Andy Preston - Elected Mayor of Middlesbrough Ian Wright - Director of Finance		
Submitted to:	Executive - 16 February 2021		
Subject:	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22		

Summary

Proposed	decision(s)
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That the Executive endorses the proposed budget strategy for 2021/22 as set out in paragraphs 35 to 70, and endorses the proposed budget efficiency savings for 2021/22 (Appendix 1).

That the Executive endorses the budget requirement for 2021/22 to be set at £116,492,035 as detailed in Appendix 2.

Having taken into account the matters set out in Section 32 of the Local Government Act 1992 and the items set out within the report, that the Executive endorses that the basic amount of Council Tax (Band D) for 2021/22 be £1,757.67 being a 1.99% increase in general Council Tax and an annual precept of 0.76% for Adult Social Care which has been continued by the Government to contribute towards the shortfall of funding for adult social care. In total this represents an increase of 2.75% in the basic amount of Council Tax for the whole of the Borough.

That the Executive endorses the actual amount of Council Tax (Band D) for areas without parish precepts (excluding Fire and Police) be set at £1,757.11.

That the Executive endorses the actual amount of Council Tax (Band D) for areas with parish precepts (excluding Fire and Police) be set at :-

Nunthorpe Parish	£1,761.41
Stainton and Thornton Parish	£1,766.42

That the Executive endorses the amounts of Council Tax for each category of dwelling be set in accordance with table 4 of Appendix 4 within the report.

That the Executive notes the refreshed Medium Term Financial Plan position for 2021-24 set out in this report in paragraphs 90 to 119.

That the Executive endorses the updated Investment Strategy for the period to 2023/24 as

outlined in paragraphs 120 to 124 and detailed in Appendix 5.

That the Executive endorses the Capital Strategy Report (Prudential indicators, Investment Strategy and Minimum Revenue Provision) 2021/22 as outlined in paragraphs 125 to 136 and detailed in Appendix 6, and endorses the Authorised Limit for external borrowing of \pounds 315 million for the Council for 2021/22 as set out in paragraph 135.

Report for:	Key decision:	Confidential:	Is the report urgent?
Decision	Yes – over the financial threshold (£150,000) and affects more than two wards	No	No

Contribution to delivery of the 2021-24 Strategic Plan				
People Place Business				
The setting of the Revenue Burrevision of the Council's Mediu ensuring that the Strategic Plan	m Term Financial Plan for 202			

Ward(s) affected

Expenditure outlined in the revenue and capital budgets will positively impact on all wards in Middlesbrough.

What is the purpose of this report?

- This report presents the recommended Revenue Budget of £116,492,035, Council Tax increase of 2.75% (paragraphs 71 to 89), and Capital Strategy Report for 2021/2022 (paragraphs 125 to 136). Attached to the report are a number of appendices which are listed at the end of the report.
- 2. Following on from the previous report presented to Council on 16 December 2020, this report also provides a refreshed Medium Term Financial Plan (MTFP) for the period 2021/22 to 2023/24 to reflect the 2021/22 Local Government Finance Settlement (paragraphs 23 to 34).
- 3. The Medium Term Financial Plan update in this report is integrated with the £149.1 million Investment Strategy for Middlesbrough for the period to 2023/24, supported by £83.7 million of the Council's own resources. The updated Investment Strategy is shown in Appendix 5.
- 4. This budget continues to support the Mayor's commitment to invest in Middlesbrough and transform service delivery for residents. It is intended that through this strategy the Council can achieve the challenging financial targets faced in the Medium Term Financial Plan period whilst ensuring that there is a minimum impact on the level of service delivered to the public.

Why does this report require a Member decision?

5. Full Council is required under legislation to set a revenue budget and agree the level of Council Tax and Prudential Indicators for 2021/22. The Executive have a key role in proposing to Full Council the revenue budget, level of Council Tax and Prudential Indicators.

Report Background

Consultation

- 6. The Priorities of the Elected Mayor of Middlesbrough and Strategic Plan 2020-2023 report to Council on 15 January 2020 set out what the Council was aiming to prioritise over the next three years. The "Refreshing the Strategic Plan for the 2021-2024 period" report which was presented to Executive on 24 November 2020 endorsed revisions to the Council's strategic priorities, with the revised priorities being as follows:
 - children and young people;
 - vulnerability;
 - crime and anti-social behaviour;
 - climate change;
 - Covid-19 recovery;
 - physical environment;
 - town centre;
 - culture; and
 - quality of service.

- 7. The Medium Term Financial Plan sets out the financial envelope that is necessary to achieve those aims and the savings necessary for living within those financial plans (budget savings).
- 8. The Council noted a report from the Elected Mayor on 16 December 2020 which provided an update in respect of the Council's Medium Term Financial Plan position for the period to 2023/24, reflecting and supporting delivery of the Strategic Plan
- The Elected Mayor set out a series of proposed additional budget efficiency savings which amounted to £1.931m million in 2021/22, and these were in addition to planned savings of £1.568m for 2021/22 already approved by Council in February 2020.
- 10. The Elected Mayor also set out at the Council meeting on 16 December 2020 the proposed budget and Council Tax increase of 2.75% for 2021/22. This was a reduction from the Council Tax increase of 3.99% for 2021/22 originally proposed in the report due to a review of the Council's finances following the Spending Review announcement and further information received, and that the amount of Government funding likely to be received was better than the previous MTFP assumptions for 2021/22. There was also a desire to minimise the effect of Council Tax increases to residents, especially during the challenging financial circumstances arising from the Covid-19 pandemic.
- 11. At the Council meeting the Mayor also announced that the previously planned budget saving relating to the proposal to move to fortnightly Waste Collections, estimated to achieve a budget saving of £396,000, would following a period of public consultation, not now be implemented in 2021/22. This was formally approved by the Executive at its meeting on 22 December 2020.
- 12. The duty to consult, where proposals affect individuals or groups of individuals, arises both in statute and through common law. As stated in the report to Council in December the additional budget efficiency savings proposals for 2021/22 were initially assessed and categorised using the same categories as in previous years. As stated in paragraph 52 of the report to Council in December all of the proposed additional budget efficiency savings were considered to have minimal or no effect on front line service delivery levels and therefore required no public consultation or impact assessment prior to consideration by Full Council as part of the 2021/22 revenue budget for implementation in 2021/22, and are therefore included in Appendix 1. There are therefore no proposed additional budget efficiency savings which require public consultation. The budget consultation was therefore only regarding the proposed Council Tax increase.
- 13. Consultation in respect of the proposed budget and Council Tax increase for 2021/22 commenced on 17 December 2020 and concluded on 31 January 2021, with appropriate impact assessments undertaken considering responses to the consultation.
- 14. The budget consultation was undertaken this year as part of an "annual conversation, called "Let's Talk", with local communities and the Council's stakeholders on the direction of travel and future plans (including spending plans), an approach which will

in future years be embedded within the Council's emerging locality working approach.

- 15. The "Let's Talk" annual conversation built on the success of the 2020/21 budget consultation, although traditional face to face engagement was severely constrained by the Covid-19 pandemic. The consultation had a clear brand identity and was promoted across social media and other channels, gathering both quantitative and qualitative information that will provide both real insight for the Council and real influence for respondents. The aim was to encourage people to take part in the annual budget consultation and the consultation on future strategic priorities of the organisation.
- 16. As stated previously, the consultation this year had to be adapted to comply with Covid-19 restrictions. This year steps taken included:
 - a dedicated internet page on the Council's website;
 - a general public survey on the Council's website, with hard copies available upon request;
 - a general consultation email address;
 - an increased level of digital promotion and increased public engagement through social media;
 - promotion by the Mayor on social media;
 - consultation with the Council's Overview and Scrutiny Board;
 - consultation with the Council's partners and the local business sector, including a specific consultation meeting with the town's Chamber of Commerce on the 20 January 2021;and
 - involvement of elected members in the process overall.
- 17. The consultation resulted in 345 responses to the Council's online consultation and completed hard copies of the survey on its budget proposals. Analysis of the budget consultation responses shows:
 - 37% of respondents were in favour of a Council Tax increase of 2.75%. 62% were against. Four did not answer the question
 - 199 comments were received of which 96% were negative. The vast majority of comments were relating to member and officer remuneration, and perceived waste within service delivery and project expenditure
 - Alternative proposals were also made relating to reducing this apparent waste and therefore reducing the need for Council Tax increases
- 18. The consultation also resulted in receipt of four email responses from individuals, but none were directly in relation to the Council Tax increase.
- 19. One virtual public meeting was offered as part of the campaign if there was enough interest in this. However, only one person expressed an interest in this and therefore such a meeting was not held.
- 20. There was also an extensive promotion of the consultation through social media, covering both the proposed budget and strategic priorities. The consultation launch video by the Mayor was viewed over 2,200 times, and there were 23 posts across Facebook and Twitter, which in total were shared over 50 times and analysis of

reach estimates that there was a potential reach to up to 70,000 people. Reach is an estimation based on calculation of views, shares and the size of the group posts are shared to e.g. if a person sharing a post has 200 followers, there is a potential reach of up to 200 people for that shared post.

- 21. Analysis of the feedback given online to social media posts is difficult to quantify as it was not a formal consultation mechanism, people were encouraged to complete the online consultation form. That being said, a number of comments were made on the following posts:
 - Comments opposing any increase in Council Tax given the current economic climate and the financial challenges people were facing as a result of Covid-19
 - Negative comments regarding dissatisfaction with some Council services
- 22. Responses to the budget consultation survey were analysed to assess whether there were any concerns about impacts from proposals that varied by protected characteristic, which could give an indication of an unintended impact or a concern that there would be a disproportionate adverse impact on individuals or groups because they held one or more protected characteristics. This analysis is set out in the Equality and Diversity section in paragraphs 151 to 155 of this report. An overall impact assessment that has been completed as part of this process is appended to this report in Appendix 3. It is recognised that the majority of responses were against the proposed Council Tax increase but the experience over the last year and the ongoing effect of Covid-19 means that it is felt that the Council Tax increase cannot be reduced any further without adversely affecting service delivery.

The Local Government Finance Settlement

- 23. The Spending Review 2020 on 25 November 2020 announced details of the overall level of funding for local government in 2021/22, and confirmed that there will again be a one year allocation of funding for 2021/22, as was the case in 2020/21. The full details of the funding mechanism and the allocation to individual local authorities for 2021/22 only was provided as part of the provisional Local Government Finance Settlement which was published on 17 December 2020 and after a period of consultation was confirmed as part of the final settlement published on 4 February 2021.
- 24. Government funding for local government as a whole has fallen substantially since 2010. Since changes were made to the Local Government Finance System in 2013/14 Middlesbrough Council has suffered a significant reduction in Government funding, with a reduction of £41.7 million (51%) from £81.2 million received in 2013/2014 to £39.5 million in 2021/22. Further detail is provided in paragraphs 101 and 102.
- 25. The Spending Review announced additional funding for local government. These were subsequently included in both the provisional local government settlement of 17 December 2020 and in the final settlement published on 4 February 2021.
- 26. Whilst the additional funding is welcomed, a large proportion of the funding announced will be for one year only (2021/22), and therefore does not assist with

tackling recurring funding pressures. This level of uncertainty means that future funding remains one of the most significant risks to the Council.

- 27. It should also be noted that a large proportion of the additional funding available to local government (over 85 per cent) is expected to come from increases in council tax made by local authorities.
- 28. The main areas of additional funding are detailed in the following bullet points:
 - Existing 2020/21 Social Care funding comprising Social Care Grant of £4.817m, relating to both Adults and Children's Care, is continued for 2021/22. In addition to this additional Social Care Grant of £1.522m for 2021/22, relating to both Adults and Children's Care, was also announced. This means that Middlesbrough will receive £6.339m of Social Care Grant in 2021/22.
 - Revenue Support Grant (RSG) will increase by inflation for 2021/22, which is set at the level of Consumer Price Inflation at September 2020 which was 0.55%. The inflationary increases to this grant creates additional income to the Council of £67,000 in 2021/22.
 - The Spending Review announced and the local government finance settlement confirmed that as well as legacy payments from previous years continuing to be received, there would also be new 2021/22 allocations of New Homes Bonus Grant, however there would be no legacy payments in future years for the new 2021/22 allocations. New Homes Bonus is funded by a top slice from Settlement Funding, this means that authorities lose Settlement Funding but stand to gain from the New Homes Bonus they earn. The Government intends to consult on a new housing growth incentive beyond 2021/22. Estimates of New Homes Bonus to be received by the Council in the MTFP period have been revised to reflect this announcement.
 - A new Lower Tier Services Grant (LTSG) worth £111 million nationally is to be provided in 2021/22 only. The aim is to support lower-tier services including homelessness, planning, recycling, refuse collection and leisure services. Middlesbrough's allocation is £285,000. The accompanying commentary to the settlement makes it very clear that the government sees this funding as a response to the current exceptional circumstances and that it will be for one year only.
 - The Spending Review also announced and the local government finance settlement confirmed that the Troubled Families Programme, which was planned to cease at the end of March 2021, would continue in 2021/22 only. The grant funding has helped to support key preventative and early help services for children and families within Children's Services. The MTFP had previously included a provision of £486,000 per annum from 2021/22 to continue essential services following the planned removal of the grant from 2021/22, however the announcement of the continuation of funding in 2021/22 has allowed this to be put back a year to 2022/23.
- 29. Under the current business rates retention system Middlesbrough receives a top-up payment as the assessed cost of providing services in the Borough is greater than

the share of business rates retained locally. The top-up payment has been frozen in 2021/22 and therefore the payment to Middlesbrough has remained the same as in 2020/21 at £27.299 million.

- 30. An estimate has been made of retained business rates income in 2021/22 of £17.593 million. This figure represents a decrease of £66,000 (0.4%) on 2020/21.
- 31. As part of the business rates system rate payers are entitled to submit an appeal against the valuation of their business, if successful this appeal will be backdated to the date of valuations. The cost of repaying appeals, including backdating, is met by the Council in proportion with its share of Business Rates. As a result of the valuations being new it is difficult to forecast what level of appeals will be received in relation to the new bills from business rate payers and also to understand what proportion of such appeals might be successful. Performance against this estimate will be closely monitored over the course of 2021/22.
- 32. Alongside the Local Government Finance Settlement the Government provided details of the Local Government Covid-19 Support Package for 2021/22, which continues the provision of Government funding to local authorities for the financial effects of the Covid-19 pandemic. The funding package, which is in addition to the funding mentioned in the Local Government Finance Settlement, includes:
 - Covid-19 Expenditure Pressures Grant an amount of £1.55 billion nationally has been provided in 2021/22, with the allocation for Middlesbrough being £5.310 million. It is proposed that this will be kept in a central budget to be used to cover costs of Covid-19 arising in 2021/22. The funding allocation to individual local authorities is based on the same formula as used in 2020/21 (the Covid-19 Relative Needs Formula) which takes account of population, deprivation and the way that service costs vary across the country.
 - Local Council Tax Support Grant £670 million of unringfenced funding is to be provided to help cover the pressures on the council tax base as the pandemic continues. The Government is distributing the funding on the basis of each billing authority's share of working-age local council tax support caseload, adjusted to reflect average bills per dwelling. The allocation for Middlesbrough is £2.592 million in 2021/22. It is proposed that this funding is used over the MTFP period to mitigate pressures on the council tax base.
 - Local Tax Income Guarantee the Government have confirmed their commitment to compensate councils for 75 per cent of irrecoverable council tax and business rates losses for 2020/21. The compensation scheme included detailed guidance on the method of calculation of this and it is currently estimated that Middlesbrough will receive £369,000 in 2021/22 from this.
 - Sales, fees and charges (SFC) the SFC compensation scheme for lost income is to be continued for the first three months of 2021/22, using 2020/21 budgeted income as the baseline. It is currently estimated that Middlesbrough will receive funding of approximately £900,000 in 2021/22 from the scheme.

- 33. It should be noted that it is expected that costs will match the funding provided.
- 34. A report will be submitted to Executive in the near future to endorse a proposed scheme / process for decisions relating to the distribution and expenditure of additional grant funding received from the Government or external bodies.

Proposed Revenue Budget 2021/2022

Budget Principles

- 35. In preparing the 2021/22 draft revenue budget and Medium Term Financial Plan, the following principles, consistent with budget strategies in previous years and statements made by Executive have been adopted:
 - to maximise the efficient, effective and economic use of resources, in conjunction with partners where appropriate;
 - to minimise the effect of Council Tax increases on residents whilst maintaining service provision;
 - to make services fully accountable for their own budgets and spending, including additional pressures. Calls on the Medium Term Financial Plan should only be made when local and directorate resources are exhausted and all requests are required to be approved by the Council's Corporate Management Team;
 - to maintain appropriate medium term budget planning and monitoring processes, ensuring known commitments are provided for and budgets are set in real terms with the effect on service delivery clearly identified;
 - services will receive, in full, the impact of contractual inflationary increases (including pay awards). No inflation will be provided for general supplies and services, which are expected to be met from efficiency savings;
 - to support budgetary investment in economic growth to drive increase in income through Council Tax and Business Rates;
 - on termination of a specific grant, a business case for any continued funding will be prepared, which will need to be assessed against other pressures on the Medium Term Financial Plan;
 - all specific reserves require approval by the Director of Finance, where specific reserves exist these will be reviewed regularly by the Director of Finance as part of the Medium Term Financial Plan refresh to ensure that they are still required; uncommitted funds may need to be used to fund pressures elsewhere;
 - any revenue budget where there has been a significant underspend for two or more years will be reviewed with a view to reallocating funds;
 - the Investment Strategy will be reviewed regularly to ensure an ongoing need for allocated funding with a view to reallocating funds which are not required;
 - any new schemes for approval within the Investment Strategy must be firstly approved by the Council's Corporate Management Team; and
 - a consistent framework for budgeting for staff costs will be implemented.

Budget Assumptions

36. The following budget assumptions have been applied:

Pay awards and inflation

- 37. Agreement has recently been reached between the National Employers and the NJC Trade Unions as to a 2.75% pay award for 2020/21 only across the board for Local Government Services employees effective from 1 April 2020. Previously only a 2% pay award had been assumed in the MTFP, and provision has now been made in this updated MTFP for the estimated effect of the increased pay award.
- 38. In the Spending Review 2020 the Government announced a public sector pay freeze, however this is not legally binding on local government and local government has responsibility for making its own decisions on staff pay. There is a high level of uncertainty around local government pay awards in future years, and therefore currently for prudence purposes approximately £1.8 million has currently been provided in a central pay and prices provision for the potential effect of the pay award in 2021/22.
- 39. In addition to the allocation for the potential effect of the pay award in 2021/22 an allocation of approximately £1.0 million has been made to the central pay and prices provision for 2021/22 (and 2022/23 and 2023/24) to guard against unexpected demand or price pressures that may arise in year. This is required to replenish the budget due to a number of calls on the provision during previous years. Also the Local Government Employers Pay Award effective from April 2021 has not yet been agreed (as mentioned in paragraph 38) and any increase above that assumed will create a draw on this provision. This provision will be closely monitored throughout 2021/22 and will be re-evaluated in future refreshes of the MTFP.
- 40. Contractual inflation at a total cost of approximately £1.4 million has been assumed for 2021/22. No provision has been made for inflation for supplies and services; it is expected that any inflationary pressures in this area will be met from efficiency savings.
- 41. Income from fees and charges has been assumed to increase on average by 2.5% in 2021/22 producing an estimated total income of approximately £1.2 million in 2021/22. There is no increase assumed for car parking charges and statutory charges in 2021/22. In light of Covid-19 all income will be closely monitored for performance against income targets and reviewed as necessary.
- 42. Provision of £1.1 million has been made in 2021/22 for the impact of the increase in the National Living Wage on the costs of adult social care services commissioned by the Council.

Demand pressures

- 43. As reported previously, in line with national trends Children's Social Care continues to be an area of financial pressure to the Council. The costs of these pressures in respect of increased level of need in relation to children in care and the increase in the cost of providing care is constantly being monitored.
- 44. Whilst the local government finance settlement provided additional funding for Social Care there is still a significant risk of additional demand and systems pressures in Children's Services and that in the event of this, sufficient additional Government

funding is not provided to mitigate this. Along with funding uncertainty, the continued pressure of demands on Children's Social Care is the most significant financial risk to the Council.

- 45. In light of the continuation of the Social Care Grant the level of funding allocated to Children's Care and Adult Social Care is to be maintained at 2020/21 levels with £3.5 million of the grant being allocated to Children's Social Care and £1 million to Adult Social Care in 2021/22.
- 46. In addition, it should be noted that £2.913 million was transferred to Children's Social Care from the central ongoing demand pressures budget following approval by Executive on 24 November 2020 of the virement contained within the Revenue and Capital Budget Projected Outturn position as at Quarter Two 2020/21 report. £322,000 of funding is remaining in the central ongoing demand pressures budget.
- 47. As mentioned in the budget report to Council of 26 February 2020, a separate contingency budget of approximately £1.6 million has been provided in 2021/22 specifically for costs arising from the delivery of the Ofsted improvement plan, and the costs will be drawn down against this budget for this purpose, as and when they are incurred.
- 48. Provision has been made in the MTFP from 2021/22 for the following service demand pressures which have been identified :
 - £79,000 for income budgets within the Strategic Information and Governance Service within Legal & Governance Services which are now unachievable
 - £138,000 arising from the Locality Working model approved by Executive in September 2020
 - £250,000 for staffing pressures within Legal Services arising from an increase in work relating to child care cases and other legal work
 - £21,000 for an increase in the Members Allowances budget in line with the previous recommendations of the Independent Panel on Members Remuneration

Reduced Spending Pressures

49. As reported in the quarterly budget monitoring reports to Executive during 2020/21 there is an estimated net saving of £500,000 per annum in the budget requirement for long term residential care due to lower demand. This has been built into the MTFP from 2021/22. This will be reviewed throughout 2021/22 with any changes required to this estimated amount being incorporated in future versions of the MTFP.

Covid-19

50. As reported previously the Covid-19 pandemic is having a significant impact on the financial position on all local authorities, including Middlesbrough. Whilst as mentioned in paragraph 32 the Government has provided funding in 2021/22 for the potential effects of the Covid-19 pandemic in 2021/22 it has been recognised that there remains a potential continuing effect of Covid-19 and recovery in 2021/22 above the funding provided by the Government and for prudence purposes it is still

proposed to provide a central contingency budget of £3 million in 2021/22 only for this. This will be further reviewed throughout 2021/22.

51. There is also a major risk to the Council's finances that the future economic climate caused by Covid-19 continues to adversely affect the Council's finances, in particular the Council Tax and Business Rates Bases and the corresponding income received by the Council over the MTFP period, and that this is not compensated for by additional Government grant funding. Accounting regulations on the Collection Fund mean that this should not affect the Council's finances until 2022/23 and an amount of £1.3 million has been provided in 2022/23 for the potential financial effect of this. This will be closely monitored and updates will be provided in future reports.

Other Changes

- 52. Additional rental income is estimated to be received in 2021/22 from developments that the Council has made in the town, with additional income of £311,000 being assumed from the Centre Square buildings, and £396,000 from Tees Advanced Manufacturing Park (TeesAMP). A total of a further £282,000 income from TeesAMP is assumed in 2022/23.
- 53. Additional revenue provision of £500,000 per annum has been made in respect of the Council's agreed Investment Strategy. This will enable the Council to invest in its own assets and provide for adequate maintenance of assets in order to ensure that they remain fit for purpose in the future. It will also allow for delayed / reduced capital receipts arising mainly from the effects of Covid-19. The Capital Financing budget will be closely monitored throughout 2021/22 and any required changes will be reflected in future refreshes of the MTFP.
- 54. Revenue funding of £260,000 has been provided from 2021/22 for the future delivery model for Youth Services following approval by Executive on 14 July 2020. The funding for this investment was provided from savings achieved following a review of the Council's senior management.

Budget Savings

- 55. As mentioned in paragraph 9 planned budget savings for 2021/22 totalling £1.568m were proposed as part of the budget report to Council in February 2020 and are already assumed in the MTFP. A large proportion of the planned budget savings approved in previous years did not require further public consultation, as they were considered to have minimal or no effect on front line service delivery levels, and are in delivery or have been fulfilled. However, a number of the previously planned budget savings for 2021/22 required further consultation during 2020/21 and details are provided in the paragraphs below.
- 56. The major planned budget saving proposed which required further consultation was the proposal to move to fortnightly Waste Collections estimated to achieve a budget saving of £396,000. As mentioned in paragraph 11 following a period of public consultation, this saving will not now be adopted in 2021/22.
- 57. Also as detailed in the report to Council in December 2020 after consideration of the planned budget saving previously approved relating to "Review of Area Care

activities" it was deemed that this would no longer be achievable due to the significant effect the planned budget saving would have on service delivery levels. It is therefore proposed that the budget saving of £186,000 is replaced with two alternative savings within Environment & Community Services relating to a £100,000 saving on the Premises Running costs budget due to savings on energy costs and internal rates charges, and a £86,000 saving within the Streetlighting budget from efficiencies achieved following the maintenance contract being returned inhouse. Following evaluation of these two alternative savings it was considered that they will have minimal or no effect on front line service delivery levels and therefore required no further consultation.

58. The revised MTFP includes provision totalling £839,000 for a number of previously planned budget savings for 2020/21 and 2021/22 which have been removed from the MTFP as they are no longer deemed fully or partly achievable for a number of reasons. These are summarised in the table below :

Directorate	Ref	Proposal:	£'000s
2020/21 UNACHIEVABLE PLANNED	SAVINGS		
Environment and Community Services	ECS 19	Reduction in operational costs of fleet vehicles in line with planned efficiencies in services across the authority	86
Environment and Community Services	REG 06	Review of Transporter Bridge operational arrangements	40
Finance	CCC 09	Increase advertising income from Love Middlesbrough to ensure self-sufficiency	9
Public Health and Public Protection	PHPP 08	Reduced partnership contributions, decommissioning of small contracts, maintaining existing vacancies and identification of alternative funding sources (part of total saving unachieved)	100
Legal and Governance Services	DIG various	Various Digital savings	256
Regeneration	Invest to Save	Housing Delivery Vehicle	90
Public Health and Public Protection	Invest to Save	The Live Well Centre expansion	93
TOTAL 2020/21			674
2021/22 UNACHIEVABLE PLANNED	SAVINGS		
Environment and Community Services	ECS 19	Reduction in operational costs of fleet vehicles in line with planned efficiencies in services across the authority	66
Finance	CCC 09	Increase advertising income from Love Middlesbrough to ensure self-sufficiency	9
Regeneration	Invest to Save	Housing Delivery Vehicle	90
TOTAL 2021/22			165

Savings proposals removed or partly removed

- 59. As reported in the quarterly budget monitoring reports throughout 2020/21 there are a number of budget savings which have been previously approved which were likely to be unachievable in 2020/21 due to Covid-19. One such saving is "FGS15 Reduction in staff mileage rates from 60p to 45p". During 2020/21 this saving was mitigated by savings arising from reduced mileage undertaken by staff as a result of Covid-19, as staff were using alternative methods to undertake their work during the Covid-19 pandemic. Due to the new ways of working and the lessons learnt the Council will review the method of achieving this saving, and in the meantime in 2021/22 this saving will again mitigated by savings from reduced mileage undertaken by staff. A further report will be brought to Executive during 2021/22 regarding this saving.
- 60. The additional budget efficiency savings proposed for 2021/22 were outlined in the report to Council on 16 December 2020. As detailed in paragraph 12 of this report it was determined that all of the proposed additional budget efficiency savings were

considered to have minimal or no effect on front line service delivery levels and that they required no, or no further public consultation or impact assessment prior to consideration by Full Council and are therefore included as part of the 2021/22 revenue budget for implementation in 2021/22.

- 61. The recommended budget savings for 2021/22 are summarised below :
 - £1.568 million in relation to ongoing efficiencies/budget savings for 2021/22 that were previously approved by Council in February 2020
 - Less £0.396 million relating to the removal of the Fortnightly Waste Collection saving
 - Less £0.674 million due to unachievable previously planned budget savings for 2020/21
 - Less £0.165 million due to unachievable previously planned budget savings for 2021/22
 - £0.057 million additional saving from an ERVR previously agreed in 2020/21
 - £1.931 million in relation to additional budget efficiency savings that required no further consultation (Appendix 1)

Adequacy of Financial Reserves

- 62. The Council is required to maintain an appropriate level of reserves and balances. Whilst current guidance is not prescriptive, all Local Authorities are required, when reviewing their Medium Term Financial Plan to consider the establishment and maintenance of reserves.
- 63. Proper consideration has to be given to: -
 - working balances to help cushion the impact of uneven cash flows and to avoid unnecessary temporary borrowing;
 - general fund reserves to provide a contingency for the impact of unexpected events or emergencies; and
 - specific earmarked reserves to meet known or predicted liabilities.
- 64. The Director of Finance has reviewed the proposed level of balances held in the General Fund Reserve and advised that he considers it is appropriate to increase the minimum level to £11 million in 2021/22 (and future years). This advice is based on an assessment of financial risks against criteria set out by the Chartered Institute of Public Finance and Accountancy and the extent to which specific provisions are available to meet known and expected liabilities.
- 65. The main high level factors affecting this assessment are the degree of uncertainty in the financial and economic climate for local government, notably the ongoing impact of the Covid-19 pandemic; future introduction of a new funding formula; the potential impact of Brexit; the continued potential for increased demand and costs in Children's and Adults Social Care; and the reduction in the level of specific reserves and provisions over previous years. The calculation of the £11 million level is made by using the mid-point of the following factors:

- Inflation: to provide for an increase of 1%-2% above that currently provided equating to £1.8m to £3.6m.
- Demand-led pressures (mainly Adults and Children's Social Care): to provide for a realistic upturn in demand £2m to £4m
- Efficiency savings: provide for non-achievement of 5-15% given no more "low hanging fruit" equating to £0.1m to £0.3m.
- Local Government Finances: uncertainty post-2021 around Government funding and business rates reform equating to £0.8m to £2m.
- General Economic Climate: mainly the effect on Business Rates & Council Tax Income equating to £1m to £2.5m
- Covid-19 continuing effect: expenditure and income shortfalls continuing and lack of Government funding equating to £1m to £3m
- 66. The current estimated level of the General Fund Reserve at the end of 31 March 2021 is £12.278 million as reported in the Revenue and Capital Budget Projected Outturn position as at Quarter Three 2020/21 report to this Executive.
- 67. The level of balance in all reserves available to the Council may be affected by any change in the current projected overspend for 2020/21. The total projected overspend for 2020/21 of £2.796 million as at the end of Quarter Three is detailed in a separate report to this Executive. As stated in that report the level of overspend reported as at Quarter Three (including the estimated costs of the Covid-19 pandemic) can be covered on a one-off basis by the Council's overall reserves in 2020/21, but if this continues it is a significant risk to the Council's financial position in the longer term.
- 68. The appropriate level of reserves for 2022/23 onwards will need reconsidering in light of financial performance in 2021/22, the ongoing effect of Covid-19, and the outcome of the expected Spending Review in Autumn 2021.
- 69. The Council intends to allocate an additional £0.2 million in 2021/22 to its Change Fund in order to support transformational activity. It is estimated that only a negligible amount will be remaining within the Change Fund by 2022, in light of the need to invest in projects in the meantime.
- 70. The Director of Finance has confirmed that the budget calculations for 2021/22 are robust in that;
 - proper medium term budget planning and monitoring processes are in place and maintained which ensure that known commitments are provided for and budgets are set in real terms with the effect on service delivery clearly identified;
 - appropriate provisions are made within the budget for pay and inflation;
 - a prudent view of the net costs of the Council's overall cash flow and prudential borrowing is taken;
 - an analysis of financial risks affecting the budget are completed; and
 - appropriate consideration is given to the level of Council Tax and external funding available to the Council.

Determination of Council Tax

- 71. A number of factors have been considered in respect of the level of Council Tax increase including our current level of Council Tax, minimising the effect of Council Tax increases to residents, the current levels of inflation, pressures from caring for our vulnerable people, the level of budget reductions required, and the medium to long term implications of the Local Government Finance Settlement 2021/22.
- 72. In the Final Local Government Finance Settlement published on 4 February 2021 the Government confirmed that Councils would be able to increase the core element of Council Tax by up to 2% in 2021/22 without the requirement to hold a referendum, and also confirmed that the level of funding available to Councils assumed a Council Tax increase at this rate. The Executive is proposing a 1.99% increase in the core element of Council Tax in 2021/22.
- 73. The Local Government Finance Settlement also confirmed the continuation of the Adult Social Care Precept at 3%, which can be split over 2021/22 and 2022/23. This has allowed Councils with Adult Social Care responsibility to increase their Council Tax by a set amount to help pay for the increased costs of Adult Social Care. In recognising of the effect of a potential 3% increase in Council Tax on Council Tax payers within Middlesbrough, the Executive is proposing to increase Council Tax for the Adult Social Care Precept by 0.76% in 2021/22, which will generate approximately £450,000 of resources in 2021/22 to support our most vulnerable adults through a series of preventative and early help initiatives.
- 74. Local authorities can therefore potentially increase their Council Tax by a total of up to 5% in 2021/22, without the requirement for a referendum.
- 75. In determining the level of Council Tax increase consideration should be given in relation to the impact on the local Council Tax payer. In essence the Government's proposal is to pass on the liability to the local taxpayer, rather than a national distribution of resources to meet what is an agreed national priority. Authorities such as Middlesbrough with a significant proportion of vulnerable Council Tax payers and a lower Council Tax Base as a result of lower property values are disadvantaged by this approach, as each percentage increase in Council Tax will raise less than more affluent areas with a greater proportion of higher banded properties.
- 76. This has meant that the effect of the above means that it is proposed and assumed that for 2021/22 Council Tax will increase by 2.75% on the Middlesbrough Council only element of the Council Tax (excluding Fire and Police and Parish precepts).
- 77. Since 2013/14 the Council's Housing Growth Strategy has delivered an increase in the Council Tax Base of 4,313 Band D Equivalent properties, an increase in Middlesbrough Council's Tax Base of 14.3%. The cumulative effect is £7.6 million per annum and reduces the need to make further annual savings within Council services by this amount.
- 78. The Council is required to set a budget for 2021/22. The budget will determine the level of resources to be made available to services and forms part of the determination of the Council Tax to be levied in 2021/22.

79. The Budget requirement for 2021/22 is estimated to be £116.492 million as detailed in Appendix 2.

	£	£
Budget Requirement		116,492,035
Less:		
Revenue Support Grant	12,220,903	
Top up Payment	27,299,015	
Local Share of NNDR	17,592,625	
		57,112,543
Net Requirements		59,379,492
Estimated Collection Fund Deficit 2020/21		1,232,000
	(a)	60,611,492
Taxbase	(b)	34,484
Basic Council Tax	(a) / (b)	1,757.67

80. The basic (Band D) Council Tax for Middlesbrough as a whole is calculated as follows:

The basic amount is now relevant only for statistical purposes, but must still be calculated by law. It represents the average tax paid across the Council area, including parish precepts.

- 81. The table at paragraph 80 relates only to Middlesbrough Council's element of the Council Tax and excludes Cleveland Police and Crime Commissioner and Cleveland Fire Authority precepts.
- 82. The level of Council Tax associated with the budget requirement represents a general 1.99% increase in Council Tax and an additional 0.76% increase in the Adult Social Care Precept. In total this represents a 2.75% increase for Middlesbrough Council's element of the Council Tax for those areas without precepts.
- 83. The calculation of the actual Council Tax (Band D) for parish and non-parish areas (Middlesbrough Council only element) is as follows:
 - a) Areas other than Nunthorpe and Stainton & Thornton:-

	£	£
Basic Amount as above:		1,757.67
Less : Parish Precepts	19,401	
Divided by Tax Base	34,484	
Equals		0.56
Band D Tax		1,757.11

b) Nunthorpe:-

	£	£
Add: Parish Precept	9,272	
Divided by Tax Base	2,157	
Equals		4.30
Band D Tax		1,761.41

c) Stainton & Thornton:-

	£	£
Add: Parish Precept	10,129	
Divided by Tax Base	1,088	
Equals		9.31
Band D Tax		1,766.42

- 84. Tax levels for all bands are set in varying proportions to the band D level, and are set out in table 1 of Appendix 4.
- 85. The effect of the proposed Council Tax increase to 2.75% in 2021/22 on the Middlesbrough Council only element of the Council Tax (excluding Fire, Police and Parish precepts) for Band A and Band D properties is shown in the table below:

	2.75% increase			
Band	Annual (£)	Weekly (£)		
А	31.32	0.60		
D	46.98	0.90		

- 86. Cleveland Fire Authority has set a precept for Middlesbrough of £2,770,100 (subject to formal approval). The Council Tax levels for 2021/22 are set out in table 2 of Appendix 4 (subject to formal approval).
- 87. Cleveland Police and Crime Commissioner has set a precept of £9,163,433 and Council Tax levels for 2021/22 are set out in table 3 of Appendix 4.
- 88. The total tax to be levied for each band (including Middlesbrough Council, Cleveland Fire Authority, Cleveland Police and Crime Commissioner, and Parishes) is set out in table 4 of Appendix 4.
- 89. The overall impact on the band D Council Tax is as follows:-

Middlesbrough Council	2.75%
Cleveland Police and Crime Commissioner	1.99%
Cleveland Fire Authority	1.90% (TBC)
Overall Increase	2.62%

Medium-Term Financial Plan to 2024

- 90. The Priorities of the Elected Mayor of Middlesbrough and Strategic Plan 2020-2023 report to Council on 15 January 2020 set out what the Council was aiming to prioritise over the next three years. The "Refreshing the Strategic Plan for the 2021-2024 period" report which was presented to Executive on 24 November 2020 endorsed revisions to the Council's strategic priorities, with the revised priorities being as follows:
 - children and young people;
 - vulnerability;
 - crime and anti-social behaviour;
 - climate change;
 - Covid-19 recovery;
 - physical environment;
 - town centre;
 - culture; and
 - quality of service.
- 91. The Council maintains a Medium-Term Financial Plan (MTFP) that:
 - accurately analyses the current financial climate and the medium-term horizon, including the range of spending pressures facing the Council;
 - addresses the budget savings requirements; and
 - focuses investment on growing the town's economic base to improve local prosperity, and secure a robust and independent income stream to fund the Council's services.
- 92. The following table summarises anticipated changes to the Council's financial position in the period of the current medium term financial plan to 2023/24:

	2021/22	2022/23	2023/24	Total
	£ms	(Indicative)	(Indicative)	£ms
		£ms	£ms	
Spending pressures	10.038	(3.633)	4.966	11.371
Government funding changes	(8.383)	6.132	0.081	(2.170)
Local funding increases	(0.029)	(1.906)	(1.944)	(3.880)
Budget gap	1.626	0.593	3.103	5.322
Savings - Previously Approved	(1.568)	0.000	0.000	(1.568)
less removal of Fortnightly Waste Collection Saving	0.396	0.000	0.000	0.396
less Unachievable previously planned budget savings	0.839	0.000	0.000	0.839
Savings - from 2020/21 ERVR	(0.057)	0.000	0.000	(0.057)
Additional Budget Efficiency Savings	(1.931)	0.000	0.000	(1.931)
Transfer to / (from) reserves	0.695	(0.593)	0.000	0.102
In-year budget position	0.000	0.000	3.103	3.103

- 93. In should be noted in the table above that the Government Funding Changes line includes a total of £8.271 million of Covid-19 grants and £285,000 of Lower Tier Services Grant which are to be received in 2021/22 only. These have been matched with expenditure in the Spending Pressures line.
- 94. The above table demonstrates that the Council has considered the issues strategically and has a deliverable plan to ensure the Council's financial sustainability, and also ensures that reserves are maintained at appropriate levels. However, it should be noted that there is less certainty in the indicative figures for 2022/23 and 2023/24 than there is for the 2021/22 figures, due mainly to ongoing uncertainty regarding the future funding model for local government. The approximate £3.1 million budget gap in 2023/24 is only indicative and at this stage no additional budget savings are proposed to cover the budget gap in 2023/24. This will be reviewed in light of Covid-19, the "fair funding review", and other information received, and the budget gap for 2023/24 will be updated in future MTFP updates over the next year.
- 95. Through the Council's Investment Strategy the MTFP focuses on investment and efficiency, and creating growth in Council Tax, Business Rates and income from commercial activity, and aims to minimise service-level and job reductions over this period.
- 96. The following assumptions have been applied in refreshing the Council's MTFP:

National Context

- 97. It is likely that financial resilience will become one of the key components of external audit work in future years, and CIPFA has recently produced a draft financial resilience index for local authorities.
- 98. According to figures from the National Audit Office that were produced a couple of years, the impact on spending power has been felt most acutely in local authorities such as Middlesbrough with relatively high levels of deprivation. While Middlesbrough has faced a 36% decrease in overall spending power since 2010, the national average is 29% and some authorities have seen lower reductions, for example Wokingham has reduced by only 16%. The decrease in Middlesbrough Council's overall spending power would be higher than 36% if the Council had not achieved significant Housing Growth and increased Council Tax.
- 99. As mentioned previously the Covid-19 pandemic is having a significant impact on the financial position on all local authorities, including Middlesbrough, and there remains a risk in the future that this will have a significant financial effect on the Council in future years and that adequate Government funding will not be provided to cover the effect of this. This creates a level of uncertainty.
- 100. The potential impact of Brexit on the local economy also remains an issue for the Council's strategic objectives.

Government funding changes

- 101. As part of the Spending Round and subsequent local government finance settlement the Government announced that the potential re-set of business rates retention of 75% (from the current 50%), and the introduction of a new "fair funding" formula for local government at 2020 would be delayed again until at the very earliest 2022/23. The key for Middlesbrough, as with other local authorities, will be the detail of the new systems and in how the new formulae are derived. The extent to which deprivation is recognised as a key cost driver for service need, in particular for adults and children's social care and public health, will be vital. There is a risk that Middlesbrough sees further reductions in funding both in real terms and in relation to other local authorities. At this stage, in the absence of any detailed information from the Government it has been assumed that any changes to the funding formula and business rate retention will not result in a further reduction in general Government funding for the Council, in the form of Revenue Support Grant and Business Rates Top Up Grant for 2022/23 and 2023/24. However, in order to be prudent and following recent exemplifications produced by the Local Government Association as to the potential effect of the proposed new Adult Social Care funding formula, provision of £1.4 million has been made from 2022/23 for any potential impacts of this. This will be reviewed as and when further information is received during 2021.
- 102. Notwithstanding these high levels of uncertainty, the Council's budgetary assumptions are based on the most up to date reliable information, and the predicted Government funding changes are set out below. In this report the impact for 2022/23 and 2023/24 has been estimated, but these figures are necessarily less robust than the figures for 2021/22.

	2021/22	2022/23	2023/24
Funding Stream		(Indicative)	(Indicative)
	£ms	£ms	£ms
Revenue Support Grant	12.221	12.221	12.221
Business Rates Top Up	27.299	27.299	27.299
New Homes Bonus	0.249	0.081	0.000
Housing Benefit & Council Tax Subsidy Admin. Grant	0.997	0.997	0.997
Public Health Grant	16.774	16.774	16.774
Improved Better Care Fund	8.392	8.392	8.392
S31 Grant for Business Rates Compensation for Reliefs	4.151	4.151	4.151
Social Care Grant	6.339	6.339	6.339
2021/22 New Lower Tier Services Grant (for 21/22 only)	0.285	0.000	0.000
2021/22 Covid Support General Grant (for 21/22 only)	5.310	0.000	0.000
2021/22 Covid Council Tax Support Grant	0.864	0.864	0.864
2021/22 Covid Local Tax Income Guarantee Grant (for 21/22 only)	0.369	0.000	0.000
Total:	83.249	77.117	77.036

Local funding increases

103. Local funding has been assumed to increase during the same period:

	2021/22	2022/23	2023/24
Funding Stream		(Indicative)	(Indicative)
	£ms	£ms	£ms
Council Tax : Core (includes Housing Growth)	55.071	56.977	58.922
Council Tax : Adult Social Care Precept	5.541	5.541	5.541
Local Share of Business Rates	17.593	17.593	17.593
Collection Fund Surplus / (Deficit)	(1.232)	(1.232)	(1.232)
Total:	76.973	78.879	80.824

- 104. While there is a direction of travel towards self-funding for local authorities, as mentioned above there is now increased uncertainty in respect of how and when this will be implemented. This potentially will mean that Government support to local government through the Revenue Support Grant will be reduced, and councils will need to be self-funding, through Council Tax, Business Rates, and other localised sources of income.
- 105. The Spending Review proposed and the Local Government Finance Settlement confirmed that Councils can increase the core element of Council Tax by up to 2% in 2021/22 without the requirement to hold a referendum. As detailed in paragraph 72 the Executive proposes that it will implement a 1.99% increase in the core element of Council Tax in 2021/22 and also apply a 1.99% increase in both 2022/23 and 2023/24. These assumptions are now reflected in this updated MTFP.
- 106. As detailed in paragraph 73 the Government announced the continuation of the Adult Social Care Precept and that the Executive is proposing to continue to increase Council Tax for the Adult Social Care Precept by 0.76% in 2021/22 only, which will generate approximately £450,000 of resources in 2021/22 to support our most vulnerable adults through a series of preventative and early help initiatives.
- 107. The effect of the above means that it is currently proposed and assumed in the MTFP that for 2021/22 Council Tax will increase by a total of 2.75%, and then by 1.99% in each of the years 2022/23 and 2023/24.
- 108. Housing growth assumptions and the growth in the council tax base have been made on a prudent approach taking into account currently available information. These are reviewed regularly throughout the year jointly by Finance and Regeneration officers based on the latest information available, and these will be reflected in future MTFP updates.

Pay awards and inflation

109. As detailed in paragraph 38 provision of approximately £1.8 million has been made in 2021/22 for the estimated effect of the Local Government Employers Pay Award effective from 1 April 2021. Currently a similar amount has been provided for 2022/23 and 2023//24.

- 110. Contractual inflation at a total cost of £4.3 million has been assumed in the MTFP period. No provision has been made for inflation for supplies and services; it is expected that any inflationary pressures in this area will be met from efficiency savings.
- 111. Income from fees and charges has been assumed to increase on average by 2.5% per annum in 2021/22, and by approximately 1% in 2022/23 and 2023/24. This excludes car parking and statutory charges. It is estimated that this will provide approximately £1.9 million of income to the Council over the MTFP period. As mentioned in paragraph 41 In light of Covid-19 all income will be closely monitored for performance against income targets and reviewed as necessary.

Living Wage

112. Increases in the National Living Wage, will impact upon organisations – principally adult social care providers – who are contracted to carry out functions on behalf of the Council. The Government previously announced that it was their intention for the National Living Wage to reach its target of £10.50 by 2024, and based on this assumption approximately £3.4 million has currently been allocated over the MTFP period to cover the increases in costs expected as a result of these pressures.

Demand pressures

113. As mentioned earlier in the report, both Children's and Adult Social Care demand continues to be identified as a potential risk and will be closely monitored over the Medium Term Financial Plan period.

Other

- 114. The Council's Leisure Services Contract with Sport & Leisure Management (SLM) will produce estimated additional income of approximately £450,000 to the Council over the MTFP period. This may be required to be reviewed in future updates of the MTFP due to any potential long term effects of Covid-19 on the provision of services.
- 115. Additional income of £282,000 is estimated to be received from Tees Advanced Manufacturing Park (TeesAMP) in 2022/23.
- 116. In addition to the additional revenue provision of £500,000 per annum that has been made in respect of the Council's agreed Investment Strategy as detailed in paragraph 53, there is also a total of £310,000 of additional investment in the Capital Financing budget over the MTFP period.

Use of Reserves and Balances

- 117. Over the MTFP period the Council plans to maintain the Council's General Fund balance above the minimum level of £11 million, in line with the Council's current recommended General Fund level as set out in paragraphs 64 and 65 of this report.
- 118. Over the MTFP period, the Council intends to use the remaining funding from its Change Fund in order to support transformational activity to deliver its Strategic

Plan. It is estimated that only a negligible amount will be remaining in the Change Fund by 2022 in light of the need to invest in projects in the meantime.

Contingency

119. As mentioned in paragraph 51 provision has been made in the MTFP for an amount of £1.3 million for the potential future impact of Covid-19 on Council Tax and Business Rates Bases and the corresponding income received by the Council over the MTFP period This will be closely monitored and updates will be provided in future reports.

Investment Strategy

- 120. Full Council approved an Investment Strategy for the period 2020-2023 on 26 February 2020. The Executive on 29 September 2020 approved the removal and addition of a number of schemes and a revised Investment Strategy to 2022/23. This has been revised further by Executive at Quarters Two and Quarter Three following quarterly monitoring, in line with its constitutional powers.
- 121. The following "business as usual" schemes which are essential to the delivery of Council services have been reviewed and it is proposed that the following amounts are added to the Investment Strategy in order to extend these schemes to 2023/24:

Scheme	Amount
	£
Capitalisation of Major Schemes Salaries	530,000
Purchase of New Vehicles	1,200,000
Capitalisation of Wheeled Bin Replacement	100,000
Capitalisation of Street Furniture	55,000
Capitalisation of Highways Maintenance	575,000
Property Services Building Investment	340,000
Members Small Schemes	60,000
Capitalisation of Street Lighting	468,000
Property Asset Investment Programme	1,200,000
Chronically Sick & Disabled Persons Act	610,000
Capitalisation Of Staying Put Salaries	50,000
ICT - Essential Refresh & Licensing	2,185,000
Derisking Sites	900,000
Total :	8,273,000

- 122. Following a review of the Investment Strategy the amount included in the Acquisition of Town Centre Properties line has been reduced by £29 million in light of the current review of future Council office accommodation.
- 123. The updated Investment Strategy is included at Appendix 5 and Executive are requested to endorse the updated Investment Strategy which will be submitted for approval by Full Council on 24 February 2021.

124. The proposed changes to the Investment Strategy are within the Council's overall borrowing limits and prudential indicators required as part of the Prudential Code (as detailed in paragraphs 125 to 136 below).

Capital Strategy Report (Prudential indicators, Investment Strategy and Minimum Revenue Provision) & Treasury Management Practices

- 125. The Local Government Act 2003 created a new legal framework for capital investment from April 2004 and Local Authorities are now required by law to follow the CIPFA Prudential Code.
- 126. The key objectives of the Prudential Code are to ensure, within a clear framework, a local authority's capital programme is affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.
- 127. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account to ensure appropriate treasury management. From 2019/2020 the Code set out that these must be presented in the form of a Capital Strategy Report which links the Council's investment strategy with the financial and budgetary implications of these decisions and the overall level of indebtedness.
- 128. The Prudential Code also introduced guidance regarding the way in which surplus funds are invested and it is a statutory requirement that an Annual Investment Strategy is approved by Council before the start of each financial year.
- 129. The government has released guidance relating to how local authorities set aside some of their revenues as provision for debt repayment. This requires authorities to prepare an annual statement of their policy on for determining the Minimum Revenue Provision.
- 130. The fundamental objective in considering the affordability of the Council's capital plans is to ensure that the total capital investment of the authority remains within sustainable limits and, in particular, to consider its impact on the local authority's revenue budget position. Affordability is ultimately determined by a judgement about available resources and one of the Prudential Indicators (% of capital financing costs against the net revenue budget) addresses this explicitly over the medium term financial planning period.
- 131. In considering the affordability of its capital plans, the Council must consider all of the resources currently available to it and estimated for the future, together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the following two years. The authority is also required to consider known significant variations beyond this timeframe. This requires the maintenance of three-year revenue forecasts and three-year forward estimates of council tax as well as three-year capital expenditure plans. These are rolling scenarios, not fixed for three years.
- 132. Appendix 6 sets out the proposed capital strategy report (covering the necessary prudential indicators, together with the investment strategy and minimum revenue

provision policy) for Executive to endorse. This report explains the context of the Council's financial plans against the required prudential indicators to assist in drawing conclusions around affordability, sustainability and prudence.

- 133. There are some large financial commitments in the level of capital expenditure over the next two financial years. Most of these changes (apart from the business as usual capital maintenance spend) are either fully funded by grant and contributions or are invest to save schemes, where income generated from the investment in these assets generates a level of financial return which at least covers any capital financing costs associated. The prudential indicator which demonstrates affordability (capital financing cost as a % of the revenue budget) remains fairly static over the three year period of the MTFP.
- 134. A change for Members to note that affects both the level of expenditure in the investment strategy and the prudential indicator totals relates to the inclusion of finance leases. In previous years most leases taken out would have been categorised as a rental arrangement and a cost against the revenue budget. However, amendments to the reporting standard that covers this area now means that most leases constitute the 'right to use' or purchase of an asset. The appropriate capital expenditure therefore needs to be included in the capital strategy report funded by external debt. Leases that have a major impact on the prudential indicators for the Council are those for the new buildings in Centre Square plus any properties or equipment that is leased by service directorates going forward.
- 135. The Director of Finance has reviewed these investment plans and prudential indicators, and is satisfied that the Council is acting in line with legal requirements and the resources available when setting its budget. The authorised limit for external borrowing for the 2021/22 budget will be £315 million. This is an increase of £15 million over that used in 2020/21 and reflects the need for extra flexibility on borrowing to support the Strategic Plan. Many of these priorities require up front capital investment by the Council to create the transformation required to address economic and housing growth.
- 136. The Chartered Institute of Public Finance & Accountancy has just announced a review of both its Prudential & Treasury Management Codes in response to some concerns on individual local authorities taking advantage of the freedoms given to them under these codes and their budgets and being heavily reliant on commercial investments & income essentially borrowing to invest. It is expected that these codes will be updated to ensure that these situations do not occur in the future. Section 151 Officers will need to give assurances to both Government and their local authorities that their financial plans do not involve significant exposure to these type of investment for yield projects. The Director of Finance is content that this is not the case for the Council for the 2021/22 financial year and the two subsequent years.

What decision(s) are being asked for?

137. That the Executive endorses the proposed budget strategy for 2021/22 as set out in paragraphs 35 to 70, and endorses the proposed budget efficiency savings for 2021/22 (Appendices 1).

- 138. That the Executive endorses the budget requirement for 2021/22 to be set at £116,492,035 as detailed in Appendix 2.
- 139. Having taken into account the matters set out in Section 32 of the Local Government Act 1992 and the items set out within the report that the Executive endorses that the basic amount of Council Tax (Band D) for 2021/22 be £1,757.67 being a 1.99% increase in general Council Tax and an annual precept of 0.76% for Adult Social Care which has been continued by the Government to contribute towards the shortfall of funding for adult social care. In total this represents an increase of 2.75% in the basic amount of Council Tax for the whole of the Borough.
- 140. That the Executive endorses the actual amount of Council Tax (Band D) for areas without parish precepts (excluding Fire and Police) be set at £1,757.11.
- 141. That the Executive endorses the actual amount of Council Tax (Band D) for areas with parish precepts (excluding Fire and Police) be set at :-

Nunthorpe Parish	£1,761.41
Stainton and Thornton Parish	£1,766.42

- 142. That the Executive endorses the amounts of Council Tax for each category of dwelling be set in accordance with table 4 of Appendix 4 within the report.
- 143. That the Executive notes the refreshed Medium-Term Financial Plan position for 2021-24 set out in this report in paragraphs 90 to 119.
- 144. That the Executive endorses the updated Investment Strategy for the period to 2023/24 as outlined in paragraphs 120 to 124 and detailed in Appendix 5.
- 145. That the Executive endorses the Capital Strategy Report (Prudential indicators, Investment Strategy and Minimum Revenue Provision) 2021/22 as outlined in paragraphs 125 to 136 and detailed in Appendix 6, and endorses the Authorised Limit for external borrowing of £315 million for the Council for 2021/22 as set out in paragraph 135.

Why is this being recommended?

146. To enable the Council to meet its statutory responsibility to set a balanced revenue budget for the financial year 2021/22 and to ensure that a proper framework is in place for the medium term financial management of the Council.

Other potential decisions and why these have not been recommended

147. Not Applicable.

Impact(s) of recommended decision(s)

Legal

148. The Council is required under legislation to set a revenue budget and agree the level of Council Tax and prudential indicators for 2021/22.

Financial

149. This approach set out within the report would allow the Council to meet its legal obligations in relation to budget setting, and meet the challenging financial targets faced in the MTFP period, while ensuring that there is a minimum impact on the level of service delivered to the public.

Policy Framework

150. The revenue and capital budgets form part of the Council's Policy Framework and as such must be agreed by Full Council.

Equality and Diversity

- 151. The Public Sector Equality Duty (PSED) (as set out in the Equality Act 2010) places a statutory duty on the Council in exercising its functions, to have regard to the need to:
 - eliminate discrimination, harassment and victimisation;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 152. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 153. The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Where proposed decisions may be relevant to one or more of these protected characteristics, the Council is obliged to assess the impact. If there is judged to be an adverse impact on these characteristics that is relevant to the duty above steps are taken to consider whether it can be avoided or mitigated. Where it cannot be avoided or mitigated, a decision can only be taken if it can be justified.

- 154. Additional Budget Efficiency Savings Proposals have been developed which protect frontline services and the town's most vulnerable groups as far as possible. The proposals for the 2021/22 budget were presented as part of the report to Council on 22 December 2020 and were classified against three categories. All the proposed additional budget efficiency savings were considered to have minimal or no effect on front line service delivery levels and therefore required no public consultation or impact assessment prior to consideration by Full Council as part of the 2021/22 revenue budget for implementation in 2021/22, and are therefore included in Appendix 1.
- 155. An Impact assessment was completed to assess the proposed budget (appended to this report at Appendix 3). It found that there were no concerns that the Council's approach to budget setting could result in a disproportionate adverse impact on groups or individuals because they hold one or more protected characteristics.

Risk

156. The proposed approach will ensure that the Council has adequate governance processes in place (08-054) to ensure it complies with the statutory duties to set a balanced budget (08-055). The MTFP has been reviewed to ensure that the correct assumptions are made to ensure that there is no unforeseen/unmitigated funding gap (08-059) and that a balanced budget can be set for future years.

Actions to be taken to implement the decision(s)

157. If approved by Council on 24 February 2021, the proposals set out in this report will form the basis of the 2021/22 revenue budget of the Council.

Appendices

- Appendix 1: Budget Efficiency Savings proposals that are considered to have minimal, or no effect on front line service delivery levels.
- Appendix 2: Revenue Budget 2021/22
- Appendix 3: Revenue Budget 2021/22 Impact Assessment (overall)
- Appendix 4: Council Tax Bands 2021/22
- Appendix 5: Updated Investment Strategy to 2023/24
- Appendix 6: Capital Strategy Report (Prudential indicators, Investment Strategy and Minimum Revenue Provision) 2021/22

Background papers

15/01/20	Council	Priorities of the Elected Mayor of Middlesbrough and Strategic Plan 2020-2023
26/02/20	Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2020/21
16/06/20	Executive	Strategic Plan 2020-23 – Progress at Year-end 2019/20
18/08/20	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2020/21
02/09/20	Council	Revenue and Capital Budget – 2020/21 Quarter One Projected Outturn position and the use of reserves for in year Covid-19 Pressures
29/09/20	Executive	Medium Term Financial Plan Update
24/11/20	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2020/21
24/11/20	Executive	Refreshing the Strategic Plan for the 2021-24 period
24/11/20	Executive	Medium Term Financial Plan Update, and Budget Savings Proposals 2021/22
22/12/20	Council	Medium Term Financial Plan Update, and Budget Savings Proposals 2021/22
16/02/21	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Three 2020/21

Contact:Andrew Humble, Head of Financial Planning & SupportEmail:andrew_humble@middlesbrough.gov.uk

Appendix 1: Budget Efficiency savings proposals that are considered to have minimal, or no effect on front line service delivery levels

These proposals require no, or no further public consultation or impact assessment prior to consideration by Full Council as part of the 2021/22 revenue budget for implementation in 2021/22. Some internal consultation may be required prior to implementation if the proposals have a significant impact on employees, and this will be undertaken by management as appropriate.

Ref.	Directorate	Budget Efficiency saving proposal	<u>2021/22</u>	2022/23	2023/24
			<u>(£'000)</u>	<u>(£'000)</u>	<u>(£'000)</u>
CEN01	Central Budgets	Section 31 NNDR (Business Rates) Grant Income - increase income budget to match expected actual income due	300	0	0
CEN02	Central Budgets	Remove budget for Vancouver House following staff vacating building	101	0	0
CEN03	Central Budgets	Reduced budget requirement for Capital Financing in light of planned Investment Strategy and borrowing and current interest	700	0	0
FIN01	Finance	Removal of vacant posts in both Financial Planning & Support and Financial Governance & Revenues	50	0	0
FIN02	Finance	Remove Social Regeneration budget to reflect the impact of a previous Executive decision	93	0	0
CEX01	Chief Executive	Remove vacant post & reduce supplies & services budgets	64	0	0
CEX02	Chief Executive	Reduce budget available for Corporate Initiatives	50	0	0
CEX03	Chief Executive	Removal of vacant post within Marketing & Communications	63	0	0
LEG01	Legal & Governance Services	ICT Services - savings through reduced mobile phone usage, reduced ICT vehicle usage, renegotiation of parking meters	50	0	0
		contract, apps rationalisation & removal of redundant telephone lines			
		Service review within Strategy, Information & Governance	50	0	0
	Legal & Governance Services	Staff reductions through removal of vacant posts within Customer Experience	14	0	0
REG0U	Regeneration	Highways Management - further capitalisation of eligible salary costs for direct support to Local Transport Plan (LTP) funded	59	0	0
a		capital schemes			
		Planning - capitalisation of technical studies for Local Plan	40	0	0
REG		Economic Development - Reduced staffing, reduced charges from ICT for services provided at BOHO from 21/22, utilising	96	0	0
60		existing staff to generate additional income at TeesAMP and Centre Square, and reduced supplies & services expenditure			
REG04	Regeneration	Removal of internal catering provision for committees and other meetings at Town Hall	10	0	0
		Amend Traffic Management responsive maintenance budget to reflect anticipated impact on demand of recent pothole purge	9	0	0
ASC01	Adult Social Care	Reduction in demand for residential care as a result of Covid-19 changing the nature of services required in Adult Social Care	175	0	0
PHP01		Realisation of efficiencies from improved contract management in Public Health	2	0	0
CHL01	Children's Services	Realisation of efficiencies within budget for Place Planning	5	0	0
		TOTAL:	1,931	0	0

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	2020/21		2021/22	
	£'Million	£'Million	£'Million	£'Million
Net Service Expenditure				
Regeneration	5.057		3.175	
Environment & Community Services	17.243		18.955	
Public Health & Public Protection	(2.248)		(2.230)	
Prevention & Partnerships	1.950		0.000	
Education	0.197		0.000	
Education & Partnerships	0.000		2.291	
Children's Care	11.330		36.862	
Business Performance & Change	22.703		0.000	
Adult Social Care & Health Integration	40.269		40.988	
Legal & Governance Services	1.355		8.042	
Finance	7.181	105.037	0.320	108.403
Thance	7.101	105.057	0.320	100.403
Levies				
Environment Agency	0.111		0.114	
River Tees Port Health Authority	0.017	0.128	0.017	0.131
	0.011	01120	0.011	0.101
Central Provisions & Budgets				
Covid-19 Expenditure Central Budget 2021/22	0.000		5.310	
Covid-19 Grant Income Held Centrally	0.000		(6.174)	
Covid-19 Local Tax Income Guarantee Grant	0.000		(0.369)	
Provisions for Pay & Prices and Contingencies	6.669		7.916	
Social Care Grant Income Held Centrally	(4.817)		(6.339)	
Local Tier Services Grant Held Centrally	0.000		(0.339)	
Change Fund	1.230		0.230	
Net Capital Financing Costs	10.440		9.517	
Added Years Pensions *	0.000		1.266	
Apprentice Levy *	0.000		0.275	
Section 31 NNDR Grant	(3.101)		(4.151)	
Designated Authority Costs	0.040		0.040	
Custodian Properties	0.008	10.469	0.008	7.244
Net Spending		115.634		115.778
Contribution (from) / to Reserves & Provisions		0.746		0.695
Net Revenue Budget		116.380		116.473
Parish Precepts				
Nunthorpe		0.009		0.009
Stainton & Thornton		0.009		0.009
		0.008		0.010
Net Revenue Budget (inc. Precepts)		116.397		116.492
Funded by:]
Revenue Support Grant		12.154		12.221
Top up Payment				
		27.299		27.299
Retained Business Rates		17.659		17.593
Council Tax		58.707		60.611
Collection Fund Balance		0.578		(1.232)
		116.397		116.492

Note:

Budget figures per Directorate for 2021/22 shown above reflect the new Directorate structure following the Senior Management Review which was implemented during Quarter One of 2020/21, and therefore direct comparison between years per Directorate is not possible

* Included in Provisions for Pay & Prices and Contingencies in 2020/21

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Appendix 3: Overall Budget Impact Assessment 2021/22

	Subject of assessment:	Middlesbrough Council Budget 2021/22					
	Coverage:	Crosscutting					
		Strategy	Policy	Service			
	This is a decision relating to:	Process/procedure	Programme		⊠ Review		
	5.00	☐ Organisational change	🛛 Other (please state) Budge	t	·		
	It is a:	New approach:		Revision of an existing approac	ch: 🛛		
	It is driven by:	Legislation:	\boxtimes	Local or corporate requirement	ts: 🛛		
Page 73	Description:	Key aims, objectives and activities By law the Council has to agree a bala of the 2021/22 budget proposals. The where decisions would impact disprop characteristics are: age, disability, ger belief, sex and sexual orientation. To e Where there is a risk that they will hav mitigate that impact. Mitigation will inc their needs. Where decisions cannot b been developed which protect frontline proposals for the 2021/2022 budget to the proposed additional budget efficient therefore required no public consultati budget for implementation in 2021/22, significantly on the public. As a result assessment.	Public Sector Equality Duty (PSE portionately adversely on groups the der reassignment, marriage and e ensure compliance with the PSED re a disproportionate adverse impo- lude steps to take account of the be fully mitigated or avoided, they e services and the town's most vue o Council on 22 December 2020, the ncy savings were considered to he on or impact assessment prior to and are therefore included in App	D) places a statutory duty on the C hat share a protected characteristic civil partnership, pregnancy and ma 0 the Council has to identify what the act, consideration must be given to different needs of groups and may a must be justified. The proposals for inerable groups as far as possible. they were assessed and classified a ave minimal or no effect on front lin consideration by Full Council as pa pendix 1 of that report. No proposal	Council to ensure that identified c under UK law. The protected aternity, race, religion or ne impact of proposals will be. o steps needed to avoid or result in adjustments to meet or the 2021/22 budget have . Prior to submission of the against three categories. All ne service delivery levels and art of the 2021/22 revenue als were identified as impacting		

	A general consultation email address was launched along with a consultation section on the Council's website, and a social media campaign to encourage engagement in the consultation which covered both the proposed budget increase and the proposed priorities for the refreshed strategic plan. This resulted in receipt of four email responses from individuals, along with 345 responses through the online consultation survey. In relation to impacts on those with protected characteristics as described previously, there were no concerns that the proposed approach to result in a disproportionate adverse impact on groups or individuals. Statutory drivers (set out exact reference) A number of statutory duties, guidance, legislation and regulations are relevant to this proposal which will be considered, these include but are not limited to: Budget setting - Local Government Act 1972 Impact Assessment process – Equality Act 2010. Differences from any previous approach Key stakeholders and intended beneficiaries (internal and external) All residents of Middlesbrough and customers of MBC. Some proposals also impact on staff. Intended outcomes. To present a budget to Council that has given full consideration to the impact of proposals and gives proper consideration to the Council's equality duties.
Live date:	April 2021
Lifespan:	April 2021 – March 2022
Date of next review:	March 2022

	Impacts	Impacts identified						
Assessment issue		Positive	Neg	gative	Uncertain	Rationale and supporting evidence		
	None	Positive	Justified	Mitigated	Oncertain			
Human Rights								
Engagement with Convention Rights (as set out in section 1, appendix 2 of the Impact Assessment						None of the proposals were identified as having an adverse impact on human rights as a result o the proposed budget.		
Policy).						Evidence used to assess the impact includes analysis of the proposals and feedback from the consultation exercise.		
Equality								
Age						None of the proposals were identified as having		
Disability Gender reassignment						an adverse impact on any of the protected characteristics as a result of the proposed budge		
Gender reassignment						Evidence used to assess the impact includes		
Pregnancy / maternity						analysis of the proposals and feedback from the		
Race						consultation exercise.		
Religion or belief								
Sex								
Sexual Orientation								
Marriage / civil partnership**								
Dependants / caring responsibilities**								
Criminal record / offending past**								

^{**} Indicates this is not included within the single equality duty placed upon public authorities by the Equality Act. See guidance for further details.

Assessment issue		Impacts identified					
		Positive	Negative		Uncertain	Rationale and supporting evidence	
	None	FOSITIVE	Justified	Mitigated	Uncertain		
Community cohesion							
Individual communities / neighbourhoods						None of the proposals were identified as having an	
						adverse impact on community cohesion as a result of the proposed budget.	
Relations between communities / neighbourhoods						Evidence used to assess the impact includes analysis of the proposals and feedback from the consultation exercise.	

Pag	Further actions	Further actions					
e 76	Mitigating actions	Not applicable					
ວ	Promotion	Not applicable					
	Monitoring and evaluation	Overall monitoring of the impact will be embedded within performance management arrangements for 2021/22	Paul Stephens	May 2021			

Assessment completed by:	Ann-Marie Johnstone	Head of Service:	Paul Stephens	
Date:	3 February 2021	Date:	4 February 2021	

Middlesbrough Council Council Tax Bands 2021/22

	Table 1						
	Middlesbrough	Council tax bands exc	luding Police & Fire	Precepts			
Band Proportion		Areas without Parishes £	Nunthorpe £	Stainton & Thornton £			
А	6/9	1,171.41	1,174.27	1,177.61			
В	7/9	1,366.64	1,369.99	1,373.88			
С	8/9	1,561.88	1,565.70	1,570.15			
D	1	1,757.11	1,761.41	1,766.42			
E	11/9	2,147.58	2,152.83	2,158.96			
F	13/9	2,538.05	2,544.26	2,551.50			
G	15/9	2,928.52	2,935.68	2,944.03			
Н	18/9	3,514.22	3,522.82	3,532.84			

Table 2Cleveland Fire Authority(subject to formal approval)				
Band	Band Tax £			
А	53.55			
В	62.48			
С	71.40			
D	80.33			
E	98.18			
F	116.03			
G	133.88			
Н	160.66			

Table 3				
Cleveland Police & C	Crime Commissioner			
Band	Тах			
Danu	£			
А	177.15			
В	206.68			
С	236.20			
D	265.73			
E	324.78			
F	383.83			
G	442.88			
Н	531.46			

	Table 4						
Middlesbrough Council tax bands including Police & Fire Precepts							
Band	Areas without Parishes £	Nunthorpe £	Stainton & Thornton £				
A	1,402.11	1,404.97	1,408.31				
В	1,635.80	1,639.15	1,643.04				
С	1,869.48	1,873.30	1,877.75				
D	2,103.17	2,107.47	2,112.48				
E	2,570.54	2,575.79	2,581.92				
F	3,037.91	3,044.12	3,051.36				
G	3,505.28	3,512.44	3,520.79				
Н	4,206. Page 7	7 4,214.94	4,224.96				

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Appendix 5 : Updated Investment Strategy To 2023/24

Highlighted cells indicate new investment					
		Total Funding Required			
	2020/21	2021/22	2022/23	2023/24	TOTAL
Regeneration	£'000	£'000	£'000	£'000	£'000
Town Centre Related Projects	775	1,798	580	204	3,357
Middlehaven Related Projects	132	102	500	-	734
Housing Growth	406	2,155	1,201	-	3,762
воно х	1,110	11,415	13,960	-	26,485
BOHO 8	2,462	-	-	-	2,462
Acquisition of Town Centre Properties	10,090	-	1,000	-	11,090
Middlesbrough Development Company	1,745	12,158	-	-	13,903
Teesside Advanced Manufacturing Park	1,543	380	-	-	1,923
Capitalisation Of Major Schemes Salaries	530	530	530	530	2,120
Affordable Housing Via Section 106	-	1,255	-	-	1,255
Highways Infrastructure Development Section 106	-	730	1,000	-	1,730
Stainton Way Dixon Bank Junction - Section 106	12	-	-	-	12
The Big Screen	-	20	-	-	20
A66 Throughabout	2,537	-	-	-	2,537
Mandale Interchange	319	100	-	-	419
Tees Amp Footway / Cycleway	293	-	-	-	293
Replacement of Ticket Machines	-	189	-	-	189
LED Street Lighting Upgrade (Phase 2)	332	85	-	-	417
Joint Air Quality Unit (JAQU) - All schemes	622	-	-	-	622
Members Small Schemes	64	-	-	-	64
Grove Hill Joint Venture Projects	-	14	-	-	14
Gresham Projects	789	-	-	-	789
North Ormesby Housing Joint Venture - Section 106 funded	100	321	-	-	421
Empty Homes 2015 To 2018	-	416	-	-	416
Local Transport Plan	1,072	621	-	-	1,693
Town Hall Venue Development	85	22	-	-	107
Cultural Transformation	-	35	-	-	35
Theatre Winches / Lifts	-	43	-	-	43
Dorman Museum	21	-	-	-	21
Contribution To Public Arts Projects	-	17	-	-	17
Public Art Work	27	31	-	-	58
Newham Grange Leisure Farm	99	-	-	-	99
Leisure Trust Investment - Equipment	-	75	-	-	75
Town Hall Telephone Kiosks Upgrade	15	-	-	-	15
Stewart Park Section 106	-	45	-	-	45
Total Regeneration	25,180	32,557	18,771	734	77,242
iotai negeneration	23,180	32,337	10,771	/34	11,242

Council Funding	External Funding
£'000	£'000
2,478	879
734	-
3,711	51
1,900	24,585
-	2,462
11,090	-
9,703	4,200
1,540	383
2,120	-
830	425
-	1,730
12	-
20	-
-	2,537
-	419
-	293
189	-
417	-
-	622
29	35
-	14
789	-
-	421
- 12	416
13	1,680
107 35	-
43	-
21	
17	-
58	
99	
75	_
15	-
-	45
36,045	41,197

		Total	Funding Re	quired	
	2020/21	2021/22	2022/23	2023/24	TOTAL
Environment & Community Services	£'000	£'000	£'000	£'000	£'000
Purchase of New Vehicles	358	870	1,000	1,200	3,428
Capitalisation of Wheeled Bin Replacement	100	100	100	100	400
Capitalisation of Street Furniture/Dog Fouling & Litter Bins	55	55	55	55	220
Capitalisation of Highways Maintenance	575	575	575	575	2,300
Property Services Building Investment	340	340	340	340	1,360
Parks Improvement	83	-	-	-	83
Bereavement Services	-	-	-	-	-
Nunthorpe Playing Fields S106	57	-	-	-	57
Local Transport Plan-Highways Maintenance	2,465	2,198	-	-	4,663
Street Lighting-Maintenance	578	468	468	468	1,982
Urban Traffic Management Control	393	100	-	-	493
Flood Prevention	144	-	-	-	144
Department For Transport Pothole Fund	1,100	-	-	-	1,100
Members Small Schemes	33	108	60	60	261
Property Asset Investment Strategy	1,083	548	1,099	1,200	3,930
Nunthorpe Sports Facilities	-	100	-	-	100
East Middlesbrough Community Hub	129	900	-	-	1,029
Christmas Lights	350	-	-	-	350
Section 106 Ormesby Beck	-	15	-	-	15
Section 106 Cypress Road	-	20	-	-	20
Hostile Vehicle Mitigation	495	75	-	-	570
Transporter Bridge	655	-	-	-	655
Total Environment & Community Services	8,993	6,472	3,697	3,998	23,160

Council	External
Funding	Funding
£'000	£'000
3,428	-
400	-
220	-
2,300	-
1,360	-
83	-
-	-
-	57
2,098	2,565
1,982	-
-	493
-	144
-	1,100
261	-
3,875	55
-	100
1,029	-
350	-
-	15
-	20
570	-
328	327
18,284	4,876

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
Public Health & Public Protection	£'000	£'000	£'000	£'000	£'000
Health & Wellbeing Hub	-	756	-	-	756
Total Public Health & Public Protection	-	756	-	-	756

Council	External
Funding	Funding
£'000	£'000
679	77
679	77

		Total	Funding Re	quired	
	2020/21	2021/22	2022/23	2023/24	TOTAL
Education & Partnerships	£'000	£'000	£'000	£'000	£'000
Block Budget (Grant) School Condition Allocation	-	124	-	-	124
Block Budget (Grant) Basic Needs	-	6,907	-	-	6,907
Schemes in Maintained Primary Schools	2,786	930	125	-	3,841
Schemes in Primary Academies	221	28	-	-	249
Schemes in Secondary Academies	865	1,786	-	-	2,651
Schemes in Special Schools	936	147	-	-	1,083
Capitalisation of Salary Costs	104	106	-	-	210
Contribution to New School at Middlehaven	-	1,700	-	-	1,700
Block Budget (Grant) Education Funding Agency Early Years 2 Year olds Entitlement (Trajectory Project)	-	7	-	-	7
Total Education & Partnerships	4,912	11,735	125	-	16,772

		Total Funding Required			
	2020/21	2021/22	2022/23	2023/24	TOTAL
Children's Care	£'000	£'000	£'000	£'000	£'000
Edge Of Care Project (Hub)	336	35	-	-	371
Edge Of Care Project (Spencerfield 117-120)	11	-	-	-	11
Edge Of Care Project (3 Broadwell)	8	-	-	-	8
Rosecroft Renovations	20	150	16	-	186
Children's Care Residential Provision	-	230	-	-	230
Contact Centre - Bus Station Unit 1	20	214	20	-	254
Total Children's Care	395	629	36	-	1,060

		Total Funding Required				
	202)/21	2021/22	2022/23	2023/24	TOTAL
Adult Social Care & Health Integration	£'(000	£'000	£'000	£'000	£'000
Chronically Sick & Disabled Persons Act - All schemes		630	735	610	610	2,585
Disabled Facilities Grant - All schemes	2	,681	2,729	-	-	5,410
Capitalisation of Staying Put Salaries		50	50	50	50	200
Home Loans Partnership (formerly 5 Lamps)		60	21	-	-	81
Small Schemes		48	-	-	-	48
Connect / Telecare IP Digital Switchover		128	110	-	-	238
Purchase of 5 vehicles - Tees Community Equipment Service		-	-	-	-	-
Total Adult Social Care & Health Integration	3	,597	3,645	660	660	8,562

		Total	Funding Re	quired	
	2020/21	2021/22	2022/23	2023/24	TOTAL
Legal & Governance Services	£'000	£'000	£'000	£'000	£'000
Desktop Strategy / Device Refresh	283	177	-	-	460
Enterprise Agreements	345	361	-	-	706
Customers Relationship Management	69	46	-	-	115
IT Refresh - Network Refresh	7	156	-	-	163
IT Refresh - Lights On	253	48	-	-	301
IT Refresh - LCS Development Capture	-	25	-	-	25
IT Refresh - Business Intelligence	3	-	-	-	3
ICT Essential Refresh & Licensing	341	2,339	2,185	2,185	7,050
ICT Innovation Budget	324	162	-	-	486
GIS Replacement	38	129	-	-	167
Prevention & Partnership Tablets	-	70	-	-	70
HR Pay	-	37	-	-	37
Dashboards	50	-	-	-	50
Total Legal & Governance Services	1,713	3,550	2,185	2,185	9,633

		Total	Funding Re	quired	
	2020/21	2021/22	2022/23	2023/24	TOTAL
Finance	£'000	£'000	£'000	£'000	£'000
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	74	360	-	-	434
Business World Upgrade	35	30	-	-	65
Derisking Sites	254	104	1,200	900	2,458
Town Centre Accommodation Strategy	42	-	4,396	-	4,438
Capitalisation of Property Finance Lease Arrangements	-	3,500	500	500	4,500
Total Finance	405	3,994	6,096	1,400	11,895

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
All Directorates	£'000	£'000	£'000	£'000	£'000

Council	External
Funding	Funding
£'000	£'000
-	124
-	6,907
1,068	2,773
-	249
-	2,651
591	492
	210
700	1,000
-	7
2,359	14,413

Council	External
Funding	Funding
£'000	£'000
371	-
11	-
8	-
186	-
230	-
254	-
1,060	-

Council	External
Funding	Funding
£'000	£'000
2,513	72
821	4,589
200	-
-	81
-	48
238	-
-	-
3,772	4,790

Council	External
Funding	Funding
£'000	£'000
460	-
706	-
115	-
163	-
301	-
25	-
3	-
7,050	-
486	-
167	-
70	-
37	-
50	-
9,633	-

External
Funding
£'000
-
-
-
-
-
-

Council	External
Funding	Funding
£'000	£'000

Total All Directorates	45,195	63,338	31,570	8,977	149,080

83,727 65,353

83.727	65.353
-	-
1,281	-
-	8,890
-	56,463
34,179	-
4,500	-
43,767	-
£'000	£'000
Funding	Funding
Council	External

		Total Funding Required					
	2020/21	2021/22	2022/23	2023/24	TOTAL		
Funded by:-	£'000	£'000	£'000	£'000	£'000		
Borrowing	18,549	13,490	11,572	156	43,767		
Finance Leases	-	3,500	500	500	4,500		
Capital Receipts	5,358	14,597	5,951	8,273	34,179		
Grants	18,081	25,787	12,547	48	56,463		
Contributions	2,140	5,750	1,000	-	8,890		
Revenue Resources	1,067	214	-	-	1,281		
Funding from Reserves	-	-	-	-	-		
Total Funding	45,195	63,338	31,570	8,977	149,080		

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APPENDIX 6

CAPITAL STRATEGY REPORT 2021/22

Introduction

The Capital Strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activities contribute to the provision of local public services at the Council. In addition, it also gives an overview of how the associated risks are managed and the implications for future financial sustainability.

The report is a requirement of the 2017 Code of Practice on Treasury Management, issued by the Chartered Institute of Public Finance & Accountancy, and has been produced in an accessible way to enhance members' understanding of these oftentechnical areas. It is a replacement for the prudential indicator and treasury management report included within previous budget setting reports prior to 2019/20, but gives a wider context on the capital financing processes used by the Council.

Capital Expenditure and Financing

Capital Expenditure is where the Council spends money on assets, such as property, IT and vehicles that will be used for more than one financial year. In local government, this also includes spending on assets owned by other bodies, finance leases and loans & grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are generally not capitalised.

• For details of the Council's policy on the capitalisation of assets, see the accounting policies section of the annual statement of accounts on the Council's website (www.middlesbrough.gov.uk).

In the 2021/22 financial year, the Council is planning a total capital expenditure of £63.338m as summarised below:

	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000
	Actual	Estimate	Estimate	Estimate	Estimate
Total Capital Expenditure – Investment Strategy	47.343	45.195	59.838	31.070	8.477
Total Capital Expenditure – Finance Leases	12.374	0.000	3.500	0.500	0.500
Total Capital Expenditure	59.717	45.195	63.338	31.570	8.977

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

The main areas of capital expenditure to be undertaken by the Council in 2021/22 include the new BOHO X scheme - £11.4m, Middlesbrough Development Company projects - £12.2m, Affordable Housing & Housing Growth schemes - £3.4m, Town Centre development projects £1.8m, School capital projects £11.7m, Disabled Facilities Grant schemes £2.7m, ICT related projects £3.6m, and Environment & Community Services projects £6.5m.

Governance: Service managers generally bid during the previous financial year to include projects in the Council's forward capital programme. Bids are collated by the Council's finance team who calculate the financing costs of each project (which can be nil if the project is fully externally financed). The Council's Management Team (CMT) appraises all bids based on a comparison of service priorities against financing costs and then makes recommendations to Members for which schemes progress against the capital resources available. The final capital programme to support the Medium Term Financial Plan is then presented to Executive during February and to Council in March each year for approval.

All capital expenditure has to be financed, from either external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and private finance initiative). The planned financing of the above expenditure is as follows:

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
External sources	17.860	20.221	31.537	13.547	0.048
Own resources	2.038	6.425	14.811	5.951	8.273
Debt	39.819	18.549	16.990	12.072	0.656
TOTAL	59.717	45.195	63.338	31.570	8.977

Table 2: Capital financing in £ millions

Any external debt (loans and leases) must be repaid over time by other sources of finance. This comes from the revenue budget in the form of Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace/repay debt finance. The Council generally uses capital receipts to finance new capital expenditure rather than to redeem debt. The total cost of MRP included in the Council's revenue budget is as follows:

Table 3: Minimum Revenue Provision in £ millions

	2019/20	2020/21	2021/22	2022/23	2023/24
	actual	forecast	budget	budget	budget
Cost to Revenue Budget	3.440	4.743	5.013	5.306	5.764

• The Council's minimum revenue provision statement for 2021/22 is available towards the end of this report.

The Council's cumulative amount of debt finance still outstanding is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure each year and then reduces with minimum revenue provision and capital receipts used to redeem debt.

The CFR is expected to increase by \pounds 8.9m or 3.6% during the 2021/22 financial year. This increase is due to the new capital expenditure funded by external debt of \pounds 17m less the MRP set aside of \pounds 5.0, plus other income streams of \pounds 3.1m.

Based on the above plans for expenditure and financing, the Council's estimated CFR for the period of the Medium Term Financial Plan is as follows:

	31.3.2020	31.3.2021	31.3.2022	31.3.2023	31.3.2024
	actual	forecast	budget	budget	budget
TOTAL CFR	232.481	246.287	255.164	261.630	256.223

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or be used to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts.

The Council plans to receive £14.6m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts in £ millions

	2019/20	2020/21	2021/22	2022/23	2023/24
	actual	forecast	budget	budget	budget
TOTAL	1.968	5.358	14.597	5.951	8.273

- The level of capital receipts for each financial year is monitored between Regeneration, Finance and Valuation & Estates teams, and any significant changes are reported to Executive as part of the Quarterly budget updates.
- The Council has not adopted the Flexible Use of Capital Receipts Policy where these proceeds may be used for funding service transformation costs that would otherwise be classed as revenue expenditure

Treasury Management

Treasury Management is concerned with keeping sufficient but not excessive cash resources, available to meet the Council's spending needs, while managing the risks involved in these investments. Surplus cash is invested until required, whilst a shortage of cash will be financed by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

The Council is typically cash rich in the short-term as revenue income is received and before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. Revenue cash surpluses are therefore offset against capital cash shortfalls to reduce the overall borrowing amount required, as part of an integrated strategy on Treasury Management. This is in line with best practice.

The Council at the end of January 2021 had £229.9m of borrowing at an average interest rate of 2.5% and £20.8m of treasury investments at an average rate of around 0.1%.

Both investment and borrowing rates available to the Council continue to be at historic lows due to ongoing government policy plus also the impact of the current coronavirus pandemic. There is an outside chance that the UK could see a negative bank rate in the 2021/22 financial year for the first time in its history.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance for long-term capital projects whilst retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between using cheap short-term loans (currently available at variable rates between 0.05% & 0.5%) and long-term fixed rate loans where the future cost is known but interest costs are higher (currently between 1% to 2.5%). In recent years, the Council has also been in negotiation with funders around lease arrangements as an alternative method of securing external finance for its capital projects.

Projected levels of the Council's total outstanding debt (which comprises borrowing and relevant finance leases) are shown below, compared with its capital financing requirement (need to borrow)

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
External Debt	242.900	233.900	248.100	258.000	252.600
Capital Financing Requirement	232.481	246.287	255.164	261.630	256.223

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term where the benefits of short term borrowing may be taken. As can be seen from Table 6, the Council expects to comply with this in the medium term with debt being lower than the capital financing requirement in all relevant financial years. The only exception to this being at the end of the 2019/20 financial year where £20m of additional borrowing was taken for grants to business and general liquidity purposes as a result of the Council's initial response toCovid-19. This funding was quickly reimbursed by Government and the short term debt borrowed was repaid during April 2020.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt levels start to approach the legal limit and is a more realistic rather than worst-case view of what will happen during the financial year. Any need to change these during the 2021/22 financial year from the original budget assumptions will be reported by the Director of Finance to the Executive at the earliest opportunity.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in $\pounds m$

	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit
Authorised Limit (OB + £30m)	300.000	315.000	322.000	316.000
Operational Boundary (CFR + £30m)	280.000	285.000	292.000	286.000

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, which focuses on minimising risk rather than maximising returns. Cash that is likely to be spent in the short term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss.

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Short-term investments	43.863	15.268	17.228	15.000	15.000
Longer-term investments	0.000	0.000	0.000	0.000	0.000
TOTAL	43.863	15.268	17.228	15.000	15.000

Table 8: Treasury management investments in £millions

Governance: Decisions on treasury management in relation to investment and borrowing are made daily and are therefore delegated by the Director of Finance to the Head of Finance & Investments and staff within the financial governance team, who act in line with the treasury management strategy approved by Council. Quarterly updates on treasury management activity are reported to Executive as part of the regular budget monitoring process.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to the revenue budget, offset by any investment income received. The net annual charge is reported as capital financing costs; this is compared to the net revenue stream i.e. the amount funded from council tax, business rates and general government grants. This is an important indicator around the affordability of the Council's capital plans going forwards.

	2019/20 actual	2020/21 forecast	2021/22 forecast	2022/23 forecast	2023/24 forecast
Financing costs (£m)	8.857	9.542	9.689	9.965	10.285
Net Revenue Budget (£m)	111.926	116.397	116.492	118.399	120.343
Proportion of net revenue stream	7.9%	8.2%	8.3%	8.4%	8.5%

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

Sustainability: Due to the very long-term nature of capital expenditure and its financing, the revenue budget implications of this expenditure incurred in the next few years could extend for up to some 50 years into the future.

The figures in table above remain relatively stable at a time when debt levels for the Council are still increasing. Members should be aware that this is as a result of various capital investments in commercial property made by the Council during 2019/20 and 2020/21 for regeneration purposes. This results in around £3.1m of income per year being credited to the capital financing budget by the end of the 2023/24 financial year. It is imperative and a key budget risk that these rental levels are maintained and the income assumed in the estimates above are generated. Progress will be reported as part of future budget monitoring and performance reports each quarter to Executive. The forecasts above may also differ slightly from the total included in the revenue budget for 2021/22 due to timing.

The Director of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable because appropriate resources have been allocated from the Council's medium term financial plan, any finance leases have been appropriately vetted and any borrowing plans have been fully costed and reviewed.

	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
	Estimate	Estimate	Estimate	Estimate
Investment Strategy	18,549	13,490	11,572	156
Finance Leases	0	3,500	500	500
Debt Restructuring	0	0	0	0
Total	18,549	16,990	12,072	656

This takes into account any debt needed by the Council to either finance the capital programme, in respect of leasing arrangements, or to finance any debt restructuring required.

Current interest rates at present (with historical lows) mean that this is not possible for the next three financial years and therefore no amounts have been factored into the borrowing plans of the Council for this. If this situation changes, this will be reported to Executive at the earliest opportunity.

The prudential indicators & limits set out in this report are consistent with the Council's current commitments, existing plans and the proposals in the budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices.

The Director of Finance confirms that these are based on estimates of the most likely and prudent scenarios, with in addition sufficient headroom over and above this to allow for operational management and some scope for flexibility. For example unusual cash movements or any unbudgeted capital expenditure required. Risk analysis and management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.

Prudence – Treasury Management Indicators

It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2021/22, 2022/23 and 2023/24 of 100% of its estimated total borrowing undertaken.

It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2021/22, 2022/23 and 2023/24 of 25% of its estimated total borrowing undertaken.

This means that the Director of Finance will manage fixed interest rate exposures on total debt within the range 75% to 100% and variable interest rate exposures on total debt within the range 0% to 25%.

It is also recommended that the Council sets upper and lower limits for the maturity structure (when the debt needs to be repaid) of its total borrowing as follows.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate at the start of the period:

	<u>Upper limit</u>	Lower limit
under 12 months	50%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	90%	20%

Currently investments are limited to a maximum of 3 years, with any deals being arranged so that the maturity will be no more than 3 years and one month after the date the deal is arranged.

The maximum % of the total of all investments that have an outstanding period of one year or longer, at the time the investment is made, is 10%.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Head of Finance and Investments has in

excess of 20 years' experience in local government treasury management. There is similar experience within the finance teams in relation to budgeting & accounting for capital expenditure and financing. The Council also pays junior staff to study towards relevant professional qualifications including CIPFA, CIMA, ACCA, AAT and other relevant vocational studies.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

• Further details on staff training and the policy on the use of external advisers can be seen with reference to its Treasury Management Practices document which is on the Council's website.

Treasury Management Practices

Further details of how the treasury management function operates, the procedures used to manage banking, treasury and capital market transactions, how risk is managed by the in-house team and how this fits with the CIPFA Code of Practice is included in the Council's set of Treasury Management Practices.

This document is available to Members for further information on request.

ANNUAL INVESTMENT STRATEGY & TREASURY

MANAGEMENT POLICY STATEMENT 2021/22

- 1. In accordance with revised guidance from the Ministry of Housing, Communities and Local Government (MHCLG) a local authority must prepare and publish an Annual Investment Strategy which must be approved by full Council before the start of the financial year to which it relates.
- 2. The MHCLG guidance offers councils greater freedom in the way in which they invests monies, providing that prior approval is received from Members by approving the Annual Investment Strategy. The guidance also considers the wider implications of investments made for non-financial returns and how these can be evaluated.
- 3. The Local Government Act 2003, which also introduced the Prudential Code, requires that a local authority must have regard to such guidance as the Secretary of State issues relating to prudent investment practice.
- 4. In addition the Chartered Institute of Public Finance & Accountancy (CIPFA) has published a revised Code of Practice for Treasury Management in the Public Services in December 2017. This replaces the 2011 Code which had been adopted in full by Middlesbrough Council. The revised Code requires the Council to clearly state, in the Annual Investment Strategy document, its policy on effective control, and monitoring of its treasury management function. These controls are set out in Treasury Management Practices (TMP's) which have been approved as part of acceptance of the previous Code.
- 5. The revised Strategy, showing where the Guidance has determined Council policy, can be set out as:

ANNUAL INVESTMENT STRATEGY 2021/22

- 6. Middlesbrough Council will create and maintain as the cornerstones for effective treasury management:
 - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
 - suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

- 7. The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.
- 8. Middlesbrough Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy in advance of the year, a mid-year review which will include an annual report on the previous year, in the form prescribed in its TMP's. Revised Strategies can be presented to the Council for approval at any other time during the year if the Director of Finance considers that significant changes to the risk assessment of significant parts of the authority's investments has occurred.
- 9. Middlesbrough Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Director of Finance. The execution and administration of treasury management decisions is further delegated to the Head of Finance & Investments, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's *Standard of Professional Practice on Treasury Management.*
- 10. Middlesbrough Council nominates the Corporate Affairs & Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 11. The Council is very circumspect in its use of credit rating agencies with the section on Specified Investments setting out the current policy. Ratings are monitored on a real time basis as and when information is received from either our treasury management consultants or any other recognised source. Decisions regarding inclusion on the Approved List are made on the basis of market intelligence drawn from a number of sources.
- 12. All staff involved in treasury management will, under the supervision of the Head of Finance & Investments, act in accordance with the treasury management practices and procedures, as defined by the Council. Such staff will undertake relevant training, identified during the Council's induction process and, on an ongoing basis, the Council's appraisal policy.
- 13. The general policy objective contained in the guidance is that local authorities should invest prudently the short-term cash surpluses held on behalf of their communities. The guidance emphasises that priority should be given to security and liquidity rather than yield. Within that framework the authority must determine a category of borrowers, who must be of "high credit quality" classified as **Specified Investments**, with whom it can invest surplus cash with minimal procedural formalities and further identify a category of borrowers classified as **Non-Specified Investments**, with whom it can also invest but subject to prescribed limits.

- 14. Although the guidance definition of Non-Specified Investments is "one not meeting the definition of a Specified Investment", the authority is required to identify which categories of investments are identified as prudent to use and the limits on any such investment either individually or in total. It is because some organisations do not subscribe to credit rating agencies that they have to be included as Non-Specified Investments, rather than any concern over their creditworthiness.
- 15. The guidance defines investment in such a way as to exclude pension fund and trust fund investments. In practice, Middlesbrough Council, in its role as Administering Authority for the Teesside Pension Fund, follows similar procedures as approved by Members as part of compliance with the CIPFA Code of Practice, albeit with different limits.

LIMITS & DEFINITION OF SPECIFIED INVESTMENTS

- 16. The following are currently determined as meeting the criteria for Specified Investments:
- 17. The investment is made with the UK Government, or a local authority (as defined in the Local Government Act 2003), or a police authority, or fire, or a UK Nationalised Industry, or UK Bank, or UK Building Society.
- 18. The investment is made with a Money Market Fund that, at the time the investment is made, has a rating of AAA.
- 19. The investment is made with one of the bodies listed in section 4 of Schedule 1E of the current version of the Treasury Management Practices document which, at the time the investment is made, has a short-term "investment grade" rating with either Standard & Poors, Moody's Investors Search Ltd or Fitch Ratings Ltd (or in the case of a subsidiary the parent has such a rating). Where ratings awarded differ between the rating agencies any one award below investment grade will prevent the investment being categorised as a Specified Investment. The rating of all listed bodies must be monitored on a monthly basis. Where officers become aware of a downward revision of rating, that moves the body out of the "investment grade" category, between such monthly checks, the body should be removed from the list of Specified Investments and, if considered appropriate, the investment should be recalled.
- 20. All specified investments must be denominated in sterling and must be one where the authority may require it to be repaid or redeemed within 12 months of the date on which the investment is made and must be considered of high credit quality. This is defined as having met the criteria set out above. The investment must not constitute the acquisition of share capital or loan capital in any body corporate.

- The minimum % of the total of all investments which must be Specified Investments, at the time the investment is made, is 70%
- The maximum investment with any one counterparty is £15 million, except for the Debt Management Office which is has no limit.
- The maximum investment in any one group (i.e. a bank and its wholly-owned subsidiaries) is £15m.

LIMITS & DEFINITION OF NON-SPECIFIED INVESTMENTS

- 21. These categories of investment currently meet the criteria for non-specified investments:
- 22. The investment is made with a UK bank, or UK building society, or a UK subsidiary of an overseas bank.
- 23. The investment is made with one of the bodies listed in section 4 of Schedule 1E of the current version of the Treasury Management Practices document, which is not a Specified Investment.
- 24. The investment is for a period of one year or longer.
- 25. All non-specified investments must be denominated in sterling. The investment must not constitute the acquisition of share capital or loan capital in any body corporate.
 - The maximum % of the total of all investments which can be non-specified investments, at the time the investment is made, is 30%.
 - The maximum investment with any one counterparty is £15 million
 - The maximum investment in any one group (i.e. a bank and its wholly-owned subsidiaries) is £15m.
 - The maximum % of the total of all investments that have an outstanding period of one year or longer, at the time the investment is made, is 10%.
- 26. The maximum period for which an investment can be made is 3 years, with the maturity date no more than 3 years and 1 month from the time the deal is agreed.
- 27. As referred to earlier in the report, borrowing should be kept at, or below, the expected capital financing requirement over the medium term to reduce the risk of exposure to interest rate fluctuations. The balance of 'net borrowing' (loans less investments) should also be monitored to, where prudent, minimise interest rate differences.

28. The Council considers that it is empowered by Section 12 of the Local Government Act 2003 for the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future. While not "borrowing to invest" it is prudent to invest monies raised in advance of expenditure. As required by the Guidance such investment is permitted providing the anticipated expenditure is within this or the next financial year or within a period of eighteen months, whichever is the greater.

TREASURY MANAGEMENT POLICY STATEMENT

- 29. Middlesbrough Council defines its treasury management activities as: 'The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'
- 30. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage those risks.
- 31. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 32. The high level policies and monitoring arrangements adopted by the Council for Borrowing and Investments are as follows:

Borrowing

- Any borrowing decisions will aim to strike an appropriate risk balance between securing low interest rates and achieving cost certainty over the periods for which funds are required. Economic forecasts available from our treasury management advisers and any other available sources will be used to form a view on the target borrowing rates and overall borrowing strategy;
- Any decisions should also look to maintain the stability and flexibility of the longer term debt portfolio, given the current low interest rate environment where short term borrowing or borrowing from internal resources offer revenue budget savings;
- The main sources of funding for external borrowing for the Council are the Public Works Loan Board, Other Local Authorities and private sector financial institutions;

Investments

- The CIPFA and MHCLG guidance require the Council to invest its funds prudently and to have regard to security, liquidity and yield when making these decisions;
- Security being the arrangements in place to protect principal sums invested by a local authority;

- Liquidity being to ensure that enough cash resources are available on a day to day basis for transactional needs;
- Yield being the interest rate and total financial return applicable to the investment being made;
- With these strategic issues in mind, the management of credit risk (or security) is key to the Council's investment strategy and any subsequent activity. The Council uses the external advisers' credit worthiness matrix to determine limits with individual counterparties.

MINIMUM REVENUE PROVISION POLICY 2021/22

INTRODUCTION

- 33. Local authorities are required each year to set aside some of their revenue income as provision for debt repayment. There is a simple duty for an authority each year to make an amount of revenue provision, which it considers "prudent". (Minimum Revenue Provision) MRP Guidance makes recommendations to authorities on the interpretation of that term.
- 34. Authorities are legally obliged to "have regard" to any such guidance which is exactly the same duty as applies to other statutory guidance including, for example, the CIPFA Prudential Code, the CIPFA Treasury Management Code and the CLG Guidance on Investments.
- 35. Authorities are asked to prepare an annual statement of their policy on making MRP and to have this approved by the body before the start of each financial year.

MEANING OF "PRUDENT PROVISION"

36. The main part to the guidance is concerned with the interpretation of the term "prudent provision". The guidance proposes a number of options. It explains that provision for repayment of the borrowing, which financed the acquisition of an asset, should be made over a period bearing some relation to that over which the asset continues to provide a service or has economic benefit. It should also cover the gap between the Capital Financing Requirement and the various sources of capital income available to the Council to finance its capital programme, such as capital receipts, capital grants, contributions and direct revenue financing.

OPTIONS FOR PRUDENT PROVISION

Option 1: Regulatory Method

37. For debt supported by (Revenue Support Grant) RSG in previous years, authorities will be able to continue to use the formulae in regulations, since the RSG was provided on that basis.

Option 2: CFR Method

38. This is a technically simpler alternative to Option 1 and may also be used in relation to supported debt. While still based on the concept of the Capital Financing Requirement (CFR), which can be derived from the balance sheet, it avoids the complexities of the formulae in the regulations.

Option 3: Asset Life Method

- 39. For new borrowing under the Prudential system (from 2008) for which no government support is given, there are two main options. Option 3 is to make provision for debt repayment in **equal annual instalments** over the estimated life of the asset for which the borrowing is undertaken. This is a possibly simpler alternative to the use of depreciation accounting (Option 4), though it has some similarities to that approach.
- 40. The formula allows an authority to make **voluntary extra provision** in any financial year that this is affordable.
- 41. In the case of the construction of a new building or infrastructure, MRP would not need to be charged until the new asset comes into service. This "**MRP holiday**" would be perhaps 2 or 3 years in the case of major projects and could make them more affordable. There would be a similar effect in the case of Option 4 under normal depreciation rules.

Option 4: Depreciation Method

- 42. Alternatively, for new borrowing under the prudential framework for which no Government support is being given, Option 4 may be used. This means making MRP in accordance with the standard rules for depreciation accounting.
- 43. Councils will normally need to follow the standard procedures for calculating depreciation when making this revenue provision.

Option 5: 2% Annuity Method

44. This method recognises the time value of money and the useful life of the assets funded from borrowing and is seen as a fairer way of charging MRP. It is supported by the Council's treasury management advisers (Arlingclose) and is being adopted by many local authorities nationally as the way of accounting from pre 2008 debt.

2021/2022 MINIMUM REVENUE PROVISION -

STATEMENT FOR MIDDLESBROUGH COUNCIL

- 45. The Secretary of State recommends that before the start of each financial year a local authority prepares a statement of its policy on making MRP in respect of that financial year and submits it to the full council as part of its budget setting process. The statement should indicate which of the options listed above are to be followed in the financial year.
- 46. For supported capital expenditure Middlesbrough Council intends to use option 5, a 2% annuity basis for the coming financial year.
- 47. For unsupported capital expenditure Middlesbrough Council intends to use option 3, the asset life method for the coming financial year.

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MIDDLESBROUGH COUNCIL



Report of:	Ian Wright - Director of Finance Cllr. Chris Hobson - Executive Member for Finance & Governance
Submitted to:	Executive - 16 February 2021
Subject:	Revenue and Capital Budget – Projected Outturn position as at Quarter Three 2020/21

Summary

Proposed decision(s)

- That the Executive notes the 2020/21 revenue budget Quarter Three total projected outturn of £2.796m, representing a £294,000 (-0.25%) underspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2020/21 of £3.090m, and the proposed actions to address this.
- The Executive notes the proposed use of the General Fund Reserve, as approved by Council on 2 September 2020, to fund the total projected overspend in 2020/21.
- That Executive approves the proposed revenue budget virements over £150,000 (Appendix 1).
- That the Executive notes the 2020/21 capital budget Quarter Three predicted outturn of £45.195m against a budget of £50.363m, and approves the proposed revised Investment Strategy to 2022/23 at Appendix 2.

Report for:	Key decision:	Confidential:	Is the report urgent?
Decision	Yes - over the financial threshold (£150,000)	No	No

Contribution to delivery of the 2021-24 Strategic Plan					
People Place Business					
Quarterly monitoring, review and action planning plays a central role in ensuring that the Strategic Plan is delivered effectively.					

Ward(s) affected

None.

What is the purpose of this report?

1. This report advises the Executive of the Council's financial position at Quarter Three 2020/21, including the projected effect of Covid-19 on the Council's finances.

Why does this report require a member decision?

- 2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance and financial management / monitoring, together with associated action. Standing Orders and Financial Procedures require the Executive's approval for major virements between revenue budgets, and in-year changes to the Council's capital Investment Strategy.
- 3. This report provides the necessary information to enable the Executive to discharge its financial management responsibilities, setting out:
 - projected revenue and capital budget outturns for Quarter Three 2020/21;
 - position statements in relation to the Council's borrowing and its reserves; and
 - actions that the Council has taken and plans to address the issues raised.
- 4. Standing Orders and Financial Procedures require the Executive's approval of the proposed revenue budget virements over £150,000 (Appendix 1).
- 5. A revised Investment Strategy for the period to 2022/23 is attached at Appendix 2 for the Executive's consideration and approval.

Report Background

Revenue Budget Quarter Three Outturn 2020/21

- 6. As reported in previous reports, the Covid-19 pandemic is having a significant impact on the Council's financial position.Covid-19 financial pressures are being monitored separately from the normal non-Covid-19 financial position, and these are reported separately in paragraphs 44 to 72 below.
- 7. The 2020/21 Revenue budget for the Council is £116,397,000. A revised senior management structure within the Council was implemented during Quarter One and the financial position is reported against this new structure. The Council's outturn position for 2020/21 for non-Covid-19 elements is projected to be an underspend of £294,000 (-0.25%). The split by Directorate is shown in the table below.

Directorate	2020/21	2020/21	2020/21	
	Full Year Budget	Projected Outturn	Projected Over / (under) spend	
		(excluding Covid-19)	(excluding Covid-19)	
	£'000s	£'000s	£'000s	
Regeneration	3,249	2,322	(927)	
Environment and Community Services	19,055	18,629	(426)	
Public Health and Public Protection	(2,346)	(3,019)	(673)	
Education & Partnerships	2,082	1,676	(406)	
Children's Care	36,846	40,881	4,035	
Adult Social Care and Health Integration	40,295	40,074	(221)	
Legal and Governance Services	7,600	8,087	487	
Finance	1,258	1,110	(148)	
Central Budgets	8,358	6,343	(2,015)	
Revenue Outturn	116,397	116,103	(294)	

- 8. This when added to the estimated Covid-19 pressures of £3.090m detailed in paragraphs 44 to 72 results in a total projected outturn pressure at year end 2020/21 of £2.796m. This is a reduction in the total projected outturn pressure of £1.609m from the £4.405m reported at Quarter Two. The overspend in 2020/21 will be covered by the General Fund Reserve as approved by Council on 2 September 2020.
- 9. The detail of the variances is set out below. At Quarter Three, 35 areas are projected to be spent +/- £150,000 of the agreed budget.

Regeneration

- 10. There has been one additional letting at Tees Advanced Manufacturing Park (TAMP) following the Quarter Two report, creating additional unbudgeted rental income at the site, with a total of £358,000 unbudgeted additional income expected to be received in 2020/21. There is firm interest in other units on the site, which will result if a further positive effect in the income should any leases be agreed prior to the end of the financial year.
- 11. An underspend of £359,000 is projected for staff savings within the Cultural Services budgets pending a review of the wider Cultural Services.
- In addition to the above, there are a number of budget areas within Regeneration which have projected variances below £150,000 and these account for the overall £927,000 total underspend on the Regeneration budget projected at year end 2020/21.

Environment and Community Services

13. The Property Services budget is now projected to be overspent by a total of £77,000 at year end, compared to a £10,000 projected underspend reported at Quarter Two. Within this budget there are projected savings of (£321,000) on building running costs due mainly to reduced occupation of buildings during Covid-19 in addition to a reduction in energy costs, in particular electricity where wholesale prices through the

NEPO arrangement have reduced. Savings of (£190,000) are also predicted due to vacant posts within Building Cleaning. However there is a projected overspend on the Integrated Transport Unit budget of £100,000 due to the level of demand from Children's Services and an increase in the number of low income families entitled to Home to School Transport assistance. This overspend has decreased from Quarter Two due to drop in the anticipated demand on the service. A shortfall in income due to a decrease in the number of cremations following the opening of a crematorium in Stockton is expected to result in a pressure totalling £275,000, and an overspend of £164,000 is estimated in 2020/21 due to the ongoing closure of the Transporter Bridge. Both of these overspends have increased since Quarter Two.

- 14. The Transport and Infrastructure budget is projected to be underspent by £263,000, a slight increase from Quarter Two, mainly due to staff savings from vacant posts, and efficiencies from the Streetlighting contract returning in-house.
- 15. The Environment Services budget is predicted to produce a total saving of £221,000. This is primarily due to an underspend on salary costs due to vacant posts within Catering totalling £149,000. In addition, a saving of £72,000 is expected across the Places and Spaces budgets.

Public Health and Public Protection

16. There are projected savings on Public Health budgets totalling £216,000 mainly due to reduced activity for some demand led services, such as Stop Smoking, NHS Healthcheck programme and prescribing costs, as a result of Covid-19. Also there are staff and supplies and services savings in Public Protection totalling £427,000, partly as a result of charging staffing costs for work undertaken in relation to Covid-19 to Covid-19 grants.

Education & Partnerships

- 17. As reported at Quarter Two the Tackling Troubled Families budget is projected to be underspent by £150,000 (18%) at year-end, due to a projected over-achievement in completing and closing cases, thereby maximising grant income over and above the amount required to finance expenditure.
- 18. There are also projected staff savings of £179,000 within Education services. There is potential for further savings at year end relating to school contributions to capital schemes, which if agreed can be funded from other sources will create a revenue saving.

Children's Care

19. Following approval by Executive on 24 November 2020 the £2.913m 2020/21 budget for ongoing demand pressures has been transferred to Children's Care. This has been allocated across the budget headings within Children's Care, with £350,000 being allocated to the Independent Fostering Agency (IFA) placements budget, £500,000 to the in-house fostering budget, £1m to the Family and Friends Allowances budget, and the remainder to the centrally held efficiency budgets. The variances outlined below are shown against the revised budgets for the budget headings.

- 20. The external residential placements budget is projected to be £955,000 (9%) overspent at year end. This is a reduction of £296,000 from the overspend reported at Quarter Two due to delays in placements being charged to Covid-19 costs. The number of external residential placements has reduced to 64 at Quarter Three, due to initiatives such as the Innovate Team, the Futures for Families Programme, and the provision of 9 places at Daniel Court at which is planned to be fully occupied by the end of March 2021. Phase 2 of the Innovate programme is starting in Quarter Four, but this will take time to fully implement and achieve further financial savings.
- 21. The Independent Fostering Agency (IFA) placements budget is projected to be £1,141,000 (21%) overspent at year-end, which is a decrease from the £1,859,000 reported at Quarter Two. As reported at Quarter Two this is due to an increased number of placements / cases in 2020/21 and the full year effect of 2019/20 increases. Whilst capacity has been maximised within the internal in-house fostering service, an overspend will still exist on this budget to ensure that higher cost external residential placements are minimised. Without the increase in places in fostering inhouse provision, the Independent Fostering Agency budget pressure would have increased significantly more than it has.
- 22. The in-house fostering services budget is projected to be £460,000 (14%) overspent at year-end, compared to the £840,000 overspend reported at Quarter Two. There has been increased demand in 2020/21, in addition to the full year effect of 2019/20 increases. An increase in this budget should be positive as a whole as the cost per child is less expensive than other demand budgets.
- 23. Demand on the Family and Friends Allowances budget continues to grow and this budget is still projected to have a significant overspend of £1,153,000 (55%) in 2020/21, even after the increase in budget. This is due to a large increase in the number of cases in 2020/21 along with the full year effect of 2019/20 increases. A working group is continuing to investigate processes and payments and there is a plan to increase benefit claim checks to attempt to mitigate this pressure.
- 24. There is a predicted overspend of £585,000 (17%) on the Assessment and Care Planning and Children in Need teams budget. Despite charging some costs to Covid-19, the projected overspend is mainly due to staff agency costs in 2020/21 to cover sickness and vacant posts. It is currently a challenge to recruit and retain social workers, and a strategy for this is included within the Ofsted Improvement Plan, and supported by the Council's management team. The recruitment of permanent Social work staff is a major challenge to the Council, with the continued reliance on the use of significant levels of agency staff being a significant risk to long term finances of the Council.
- 25. There is a projected overspend of £269,000 (45%) on the Review and Development budget, due to increased staffing costs to support the reduction in caseloads of social workers to more manageable levels, and the recruitment of agency staff to fill vacant posts due to challenges in recruiting to social worker positions across Children's Services.
- 26. Internal Residential services is projecting to underspend by £690,000 (24%) at yearend, due to a slower than anticipated implementation of new initiatives and the maximisation of grant funding. Daniel Court and Future for Families are both now

open and increasing occupancy and caseload levels will generate future savings and cost avoidance.

27. Children Looked After teams are projecting a £308,000 (15%) overspend at year end. Similar to Assessment and Care Planning and Children in Need teams, this is mainly due to agency staffing costs to fill vacancies and cover absences. As stated in paragraph 24 the reliance on agency staff, is a significant risk to the Council in the medium to longer term.

Adult Social Care and Health Integration

- 28. There are projected staff savings across the Service totalling £275,000 due to turnover of staff. Also, there are supplies and services savings of £240,000 across the Service projected at year end.
- 29. As a result of the Covid-19 pandemic, there is a projected overall reduction in the cost of care packages (mainly residential care) of £525,000. In addition, service user's contributions to community care packages continue to be received in excess of budgeted income, resulting in a projected underspend of £311,000 at year end.
- 30. A High Court ruling is anticipated in respect of payments for sleep-in shifts, it is expected the ruling will cost £629,000 in backdated payments (with £195,000 relating to 2019/20). There will be a potential on-going recurring pressure of £434,000 due to this and this will be addressed in the budget set for future years.
- 31. There is also currently a projected additional saving of £500,000 per annum in the budget requirement for long term residential care due to lower demand. This is after offsetting increased costs of Short Term care, Independent Supported Living, supporting people with Learning Disabilities and pressures on hospital social work. This saving has been included in the MTFP update presented to this Executive. It is proposed that the projected saving in 2020/21 is transferred at year end to an Earmarked Reserve for future use against any potential future demand increases during the Covid-19 recovery period, and the outturn position currently assumes the transfer of £500,000 to the Earmarked Reserve.

Legal and Governance Services

- 32. The Legal Services Childcare Costs budget is projected to overspend by £217,000 at year end, due to an increase in court referrals relating to the safeguarding of children and increased agency staffing costs to address the increased caseload. This is a slightly improved position from that reported at Quarter Two. This budget is being closely monitored and efforts are being made to reduce the use of agency staff and the overspend, and updates will be provided in future budget monitoring reports.
- 33. There is a projected overspend on the Strategic, Information and Governance budget totalling £158,000. This comprises of an overspend of £100,000 on the main Strategic, Information and Governance budget and also an overspend of £58,000 on the Mail and Print budget, with both overspends mainly being due to unachievable income targets. The removal of the unachievable income targets has been included as part of the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to this Executive.

34. An overspend of £170,000 is expected against the budget for Middlesbrough's contribution to the Coroner's Service. This is due to a rise in the number of cases, and also an increase in medical fees and toxicology reports.

Finance

- 35. An overspend of £200,000 is estimated on the Support Services Income budget which was not reported at Quarter Two, due to lower levels of income being able to be recharged to external bodies such as the Pension Fund. This estimate is based on the outturn position of 2019/20 and further work is required to determine the actual outturn in 2020/21.
- 36. The Strategic Commissioning and Procurement main budget is projected to underspend by £193,000 at year end, mainly due to increased income from the NEPO contract rebate, in particular relating to the electricity contract and also staff savings generated from an internal review of the service.
- 37. There is additional unanticipated income of £200,000 estimated to be received by year end due to rental income from the recent purchase of the Captain Cook Shopping Centre.
- 38. It should be noted that two areas where variances +/- £150,000 were reported at Quarter Two now have variances less than +/- £150,000. These are the Insurance and Risk Management budget which is now projected to overspend by £100,000, rather than the £200,000 reported at Quarter Two. Also the Revenues and Benefits budget is now projected to overspend by £69,000, rather than the £337,000 underspend reported at Quarter Two, due mainly to an increase in the bad debt provisions for income from court costs and housing benefits overpayments and decreases in staff savings due to the filling of vacant posts.

Central Budgets

- 39. The Capital financing budget is currently projected to be underspent by £200,000 at year-end, due to expected delays on projects and reduced interest rates. This budget will be closely monitored during the remainder of 2020/21 and the final year end position will be reported in the end of year outturn report.
- 40. At Quarter Two it was reported that there were non-rent pressures of £228,000 in 2020/21 relating to business rates and service charges for Centre Square Buildings 1 and 2 which the Council will have to incur in 2020/21 due to tenants not being in place. These have reduced to £30,000 due to the recent receipt of confirmation from the Valuation Office that business rates will not be charged on areas of the buildings that are not being occupied, whereas previously it was assumed that rates would be payable for the whole of the two buildings with effect from July 2020. The total pressure on Centre Square Buildings 1 and 2 (rent and non-rent elements) due to delays in letting the buildings, is therefore currently projected to be £327,000 in 2020/21 based on confirmed tenants for the buildings, which is an improvement against the £519,000 reported at Quarter Two, due to quicker than expected lettings as well as the lower than expected non-rent costs. Tenants for the buildings have now signed contracts and will start to occupy the buildings during the remainder of the financial year following fit out of the buildings.

- 41. As reported at Quarter Two the Section 31 Business Rates Relief Grant budget is projected to underspend by £1,094,000 at year end due to the receipt of additional grant income.
- 42. The central provision for Pay and Prices is projected to underspend by £504,000 based on the current expected calls on the budget during 2020/21. This is an increased saving of £72,000 from that reported at Quarter Two mainly due to a lower than estimated cost of the staff pay award in 2020/21.

Progress against budget savings

43. A total of £6.4m of budget savings for 2020/21 were approved by Council on 26 February 2020 as part of the 2020/21 budget setting. It has not been possible to achieve a number of budget savings due to Covid-19 and these are detailed in paragraph 62 below. There are a further £674,000 of budget savings (shown in the table below) which it will not be possible to achieve in 2020/21. These have been accounted for in the projected outturns for the directorates above and form part of the overall total projected outturn for 2020/21. The unachieved savings have also been factored into the MTFP where appropriate.

Directorate	Ref	Proposal:	2020/21
			£'000s
Environment and Community Services	ECS 19	Reduction in operational costs of fleet vehicles in line with planned efficiencies in services	86
		across the authority	
Environment and Community Services	REG 06	Review of Transporter Bridge operational arrangements	40
Finance	CCC 09	Increase advertising income from Love Middlesbrough to ensure self-sufficiency	9
Public Health and Public Protection	PHPP 08	Reduced partnership contributions, decommissioning of small contracts, maintaining existing	100
		vacancies and identification of alternative funding sources (part of total saving unachieved)	
Legal and Governance Services	DIG various	Various Digital savings	256
Regeneration	Invest to Save	Housing Delivery Vehicle	90
Public Health and Public Protection	Invest to Save	The Live Well Centre expansion	93
TOTAL			674

Covid-19

44. As reported in the Quarter One and Two reports and the MTFP Update reports to Executive and Council, the Covid-19 pandemic is having a significant impact on the financial position of all local authorities, including Middlesbrough, and the reports provided key areas affected and estimates of the position for the current financial year. The paragraphs below provide an update of the position as at Quarter Three. It should be noted that this is a constantly changing position and therefore estimates are subject to change, and are dependent on further outbreaks and the impact of any local and/or national lockdowns which will further increase the Covid-19 costs.

Government funding

45. As reported previously the financial impact of Covid-19 on local authorities has been recognised by the government and they have responded by making a number of announcements about supporting local authorities financially, indicating that Local Authorities would be fully funded for their direct relevant costs incurred. Four tranches of Covid-19 support funding totalling £15.574m have so far been received for 2020/21. As mentioned above there will be additional expenditure to be incurred if there are further outbreaks and local and/or national lockdowns.

- 46. As reported previously the Government also announced on 2nd July 2020 further support comprising of :
 - A scheme to part fund income shortfalls
 - The ability to recover Collection Fund (Council Tax and Business Rates income) shortfalls over three years as opposed to one year
- 47. The Sales, Fees and Charges (SFC) scheme which part funds income shortfalls involves a 5% deductible rate, whereby local authorities will absorb losses up to 5% of their planned budgeted 2020/21 sales, fees and charges income, with the Government compensating them for 75p in every pound of relevant loss thereafter. Two claims totalling £3.3m have been made under the scheme covering the periods April to July 2020 and August 2020 to November 2020. It is estimated that Middlesbrough Council will be able to claim a total of approximately £4.7m in 2020/21 under the SFC scheme. It should be noted that the SFC scheme does not cover commercial income lost from investment activities and rental income.
- 48. A national allocation of Test, Track and Trace funding (£300m) was also announced in June 2020. This funding has been allocated to support local authorities in meeting their costs associated with Test, Track and Trace. The allocation for Middlesbrough is £1.566m. This grant funding is ringfenced for Test, Track, and Trace and potential local outbreaks.
- 49. The Government also announced on 22 October 2020 a Contain Outbreak Management Fund to provide funding to local authorities to support public health activities, such as local enforcement and contact tracing. This was originally based on an amount per head of population depending on which tier a local authority was in and has been extended for the second national lockdown in December. The total amount allocated to Middlesbrough so far is £2.115m which covers the period until the end of December 2020. The Government has announced that there will be further allocations for the remainder of 2020/21 following the national lockdown which started on January 2021, but the actual amounts to be received have not yet been confirmed along with any additional costs to be incurred.
- 50. In the recent Spending Review and Provisional Local Government Finance Settlement the Government announced that, as well as allowing local authorities to spread the Collection Fund deficit (council tax and business rates income losses) arising in 2020/21 over the next 3 years (2021/22, 2022/23 and 2023/24), their commitment to compensate councils for 75 per cent of irrecoverable Council Tax and Business Rates losses for 2020/21. Further details of the Government funding estimated to be received in 2021/22 for this is detailed in the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to this Executive.

Costs

51. It is currently estimated that there will be approximately £13.1m of additional costs associated with Covid-19 in 2020/21 and these cover a wide range of areas and services. This is an increase from the £11.3m estimated at Quarter Two, with the key areas of costs outlined in the following paragraphs below. All these costs and any further direct relevant costs should be fully reimbursed by the Government. It should be noted that this is a constantly changing position and therefore estimates are

subject to change, dependant on further outbreaks and the impact of any local and/or national lockdowns which will further increase the Covid-19 costs.

- 52. Adult Social Care there are additional costs of approximately £1.3m due to the Council supporting the Care market through a temporary increase in fees in line with Government guidance, along with other costs relating to Adult Social Care estimated to be £0.4m.
- 53. Children's Social Care Costs there are currently estimated to be approx. £4.4m of total additional costs comprising mainly of delays in placements of children (approximately £1.6m) and also increased staffing and agency staffing costs (approximately £2.5m) to deal with an increased number of cases and case backlogs caused by Covid-19. There is also some emerging evidence that following the end of restrictions there may be further increases in numbers of children requiring support, but these are currently not known and will be updated in future reports.
- 54. There are other estimated costs relating to Children's Services, in particular around Legal Childcare case backlogs (estimated to be £0.3m) and also within transport of children from home to school (currently estimated to be £0.3m).
- 55. Environment and Community Services costs estimated to be approx. £0.5m relating to staff costs within Highways Maintenance for work undertaken relating to Covid-19. Also there are estimated increased costs of £0.5m relating to increased costs of waste collection and disposal due to increased tonnages of waste.
- Direct Covid-19 Costs a number of direct costs associated with the current situation such as the procurement of PPE equipment (currently estimated to be approx. £1.2m), costs of the storage of PPE, Community Hub, Shielding and food supplies etc.
- 57. Other Covid-19 costs There are currently estimated to be increased costs of £0.2m relating to the costs of temporary mortuary provision at Teesside Advanced Manufacturing Park (TAMP), and increased costs for the removal of bodies. Additional staff costs of £0.2m are estimated within the Revenue and Benefits mainly for additional work undertaken in relation to the distribution of grants to businesses. There are also IT costs for additional equipment of £0.6m.
- 58. SLM Leisure Trust As detailed in the Quarter Two report there have been significant payments made to SLM, the Council's provider of leisure facilities. When leisure facilities were closed SLM furloughed the majority of their staff and the Council agreed to contribute to the remaining costs of furloughing the staff that the Government did not fund. Following the reopening of leisure facilities SLM have not been able to operate to their normal subsidy, with the effects of a restricted operation due to social distancing significantly impacting on their income. This will mean that the total pressure to the Council is estimated to be approximately £1m in 2020/21. This pressure is subject to amendment dependent on lockdown restrictions which have a direct impact on SLM's ability to run the Centres. The Department of Culture, Media and Sport (DCMS) have announced the "National Leisure Recovery Fund" to which the Council has been awarded a notional grant of £310,000. The Council will receive formal notification of the amount awarded at the end of February 2021, and any funding received will reduce the pressure stated above.

Reduction in income

- 59. The impact of the lockdown and closure of facilities and services has resulted in a loss of income across a broad range of areas. The following list shows the main areas and the estimated loss for each main area in 2020/21:
 - Car Parking (£2m)
 - Cultural activities (Town Hall, Middlesbrough Theatre, Museums, Newham Grange Country Park, Parks) (£1m)
 - Catering income from schools (£0.7m)
 - Adult Social Care In house day centre care provision (£0.7m)
 - Libraries and Community Hubs room hire, book sales, and fines (£0.2m)
 - Highways : Capital Works and Street Permit income (£0.2m)
 - Education Services income from schools (£0.2m)
 - Council run Nurseries (£0.2m)
 - Council Tax Court Costs and Housing Benefits Overpayments (£1m)
 - Commercial Rents business units, industrial estates, shops and bus station (£0.2m)
 - Capital Finance Rent and Interest (£0.2m)
- 60. The overall pressure due to a reduction of income will be linked to the recovery of Council services, and in some areas economic activity, and it is currently estimated to total approximately £7.4m in 2020/21.
- 61. As mentioned in paragraph 47 it is currently estimated that the Council will receive approximately £4.7m from the SFC scheme in 2020/21.

Unachievable savings

62. There are savings built into the Council's Change Programme totalling approximately £1.9m which are likely to be unachievable in 2020/21 due to Covid-19. These include £189,000 of Building Cleaning planned savings which are likely to be unachieved due to the inability to reduce cleaning hours and standards and additional cleaning required because of Covid-19. There are also delays in planned savings of £175,000 relating to a review of direct payments within Adult Social Care which it will not be possible to progress in 2020/21 due to Covid-19. In addition there are £1,094,000 of planned Digital project savings and a £180,000 saving to reduce staff mileage rates across the Council, which are likely to not be achieved in 2020/21 due to Covid-19. Further reviews of the unachieved savings are continuing to take place, mainly relating to the Digital and staff mileage savings, and whether the unachieved savings can be mitigated by any savings elsewhere within the Council, for example reduced mileage undertaken by staff as a result of Covid-19, and the net effect of Covid-19 on these savings will be reflected in the year end position.

Council Tax and Business Rates Income

63. Income from Council Tax and Business Rates (NNDR) is accounted for within the Collection Fund. Because of the way that this works in relation to the General Fund, the financial impact of any reduction in income does not immediately affect this year's financial position, it is effectively a shortfall to be resolved next year and will need to be reflected in an updated Budget and MTFP at the appropriate time.

- 64. Whilst full complete information is not yet available this financial year it is already clear that there are a number of issues which will result in pressures on Council Tax and Business Rates income.
- 65. There has been an increase in people claiming Local Council Tax Support (LCTS) as the economic impact of the pandemic increases the number of households eligible for LCTS support. This will lead to a reduction in the overall amount of council tax assessed/collected compared to the level budgeted. Whilst the Government provided additional Covid-19 Council Tax Hardship Grant Funding of £2.832m to top up the local LCTS scheme which meant approximately 6,000 customers not having to pay any Council Tax, there will still be an effect on the estimated amount of income collected.
- 66. Our budgeted council tax base includes assumptions on housing growth. If there is reduced growth in housing numbers, this will impact on income levels.
- 67. Despite support for businesses through increased reliefs and grants, there remain a significant number who do not benefit from this support. There is a risk therefore that business rates revenue reduces if businesses fail or are unable to pay.
- 68. In addition the level of outstanding council tax and business rates debt is likely to rise and the Council will need to review the potential to collect that debt.
- 69. The current estimated overall financial impact of Covid-19 on Council Tax and Business Rates income to the Council in 2020/21 is £3.696m, but this is still to be confirmed and this is being closely monitored. It is normal practice that any arising deficit would need to be fully funded in 2021/22. However as outlined in paragraphs 46 and 50 the Government have announced that this can be spread over the next three years meaning that there will be an effect of £1.232m in 2021/22, 2022/23, and 2023/24, also that Government funding to compensate councils for an element of the deficit may be received.

Summary of Covid-19 Financial Pressures

70. The projected financial impact of the Covid-19 pandemic in 2020/21, based on experience in the first nine months of the financial year, is summarised below along with a breakdown of the estimated funding split between the Government grant funding and the Council, based on assumptions made following the Government announcements detailed in paragraphs 45 to 50:

	<u>Grant</u> Allocation	<u>Committed</u>	<u>Grant</u> Remaining	<u>Council</u> <u>Cost</u>
	<u>£m</u>	£m	<u>£m</u>	<u>£m</u>
Income loss (2019/20)		0.492		
Extraordinary costs incurred (2019/20)		0.385		
Extraordinary costs incurred (2020/21)		13.130		
Commercial income losses		0.483		
Unachievable Change Programme savings		1.954		
Total Covid-19 Main grant	15.574	16.445	0.000	0.871
Sales, Fees and Charges (SFC) income loss grant	4.726	6.946	0.000	2.220
Test And Trace	1.566	1.566	0.000	0.000
Control Outbreak Management fund (COMF) (currently £15/head)	2.115	2.002	(0.113)	0.000
Clinically Extremely Vulnerable (CEV) Funding	0.103	0.103	0.000	0.000
Total Other Grants	3.784	3.671	(0.113)	0.000
TOTAL COVID-19 ESTIMATED GRANTS AND COMMITMENTS	24.084	27.061	(0.113)	3.090

- 71. The overall financial position is being regularly reviewed to assess impact across all areas and it is likely that this will identify additional pressures and also some potential savings. It should also be noted that this is a constantly changing position and therefore estimates are subject to change, and are dependent on further outbreaks and the impact of any local and/or national lockdowns which will further increase the Covid-19 costs.
- 72. The above table indicates that there will be a potential financial pressure due to Covid-19 of £3.090m in 2020/21. As approved by Council on 2 September 2020 this will be funded from the General Fund Reserve in 2020/21.

Revenue budget spending controls

- 73. As previously reported to the Executive, a number of controls were implemented in 2019/20 to minimise overspending across the Council in-year and these remain in place for 2020/21, specifically:
 - a vacancy control process overseen by the Corporate Management Team;
 - checks against proposed expenditure of over £5,000 by the procurement team; and
 - strong controls over staff travel, the ordering of stationery and use of first class post.
- 74. The Council is continuing to minimise the use of agency staff where it is appropriate to do so, but it is acknowledged that currently there will be a need for the use of agency staff within Children's Care, principally to support the Ofsted Improvement Plan and also due to the impact of Covid-19. Monthly reports on agency costs are reported to senior managers for consideration.
- 75. As outlined in the Quarter Four report for 2019/20 a number of plans have been put in place for 2020/21 to mitigate overspending within Children's Services. These are outlined below :
 - Subjecting cases of children looked after by the Council to ongoing audit, consistent decision making processes and a solutions panel chaired by the Director of Children's Care.

- Re-establishing a Middlesbrough Multi Agency Children's Hub from 1 July 2020 to secure the consistency of thresholds and increasing step-downs to early help and more timely support for children and young people.
- Increasing internal residential capacity at the Futures for Families Middlesbrough Hub (6 places) and Daniel Court (9 places) by 15 additional places, an increase of 136% on current provision. This will mean that more young people will be able to be accommodated by the Council at a lower cost than externally procured placements.
- All external residential placements are being reviewed by a specialist project team set up by the Director of Children's Services to ensure that no children are in residential care who can be fostered or safely returned to their families or the care of relatives. In addition this team will look at all cases that are nearing requirement for residential care with the aim of making sure that all alternative options for support are fully explored before residential provision is approved.
- Work continues to build on the 30% increase in the number of internal foster placements achieved in the financial year 2019/20, allowing children to be placed in high quality, local authority foster care as an alternative to more expensive agency placements.
- An in depth review is taking place of the processes around the placement of children with friends and family to ensure that these are only made where necessary and that financial support represents value for money.
- 76. While the mitigations above will be progressed, the experience in 2019/20 suggests that whilst efficiencies may have been made in placement methods these will not have a positive effect on the bottom line position unless the overall numbers of children in care are brought under control.
- 77. The position around our numbers of children in care has been specifically referenced by the DfE Commissioner, and it is clear that for both quality of practice and financial reasons the number needs to be safely reduced. This will entail improvement of edge of care provision to support families and prevent children needing to become looked after and crucially improving practice and care planning to allow those children who are able to return home, be placed with family or friends or be adopted in as timely a manner as possible. This work is interdependent on our overall improvement journey and will not be a short term fix, however prioritisation in these areas is crucial to ensuring that our resources, both human and financial, are sufficient to deliver improvement. The position is constantly monitored and in future MTFP reviews an informed and prudent view will be taken of the length of time that will need to be allowed for this work to deliver results as well as the monitoring arrangements required.
- 78. The Council has set aside approximately £1.6m per annum of Council funding for 2020/21 and 2021/22 to support the Ofsted improvement plan. Progress against the plan is being monitored by the Multi Agency Strategic Improvement Board, and any variances from the budgets contained in the Ofsted improvement plan will be detailed in future budget monitoring reports.

Capital budget Quarter Three Outturn 2020/21

79. As part of the Quarter Two report to Executive on 2020, Executive approved a revised capital budget for 2020/21 of £50,363,000. Following a further review and the inclusion of new additional schemes, increases to existing schemes, and reductions

to existing schemes (as detailed in paragraphs 81 to 83), it is currently predicted at Quarter Three that the Council will spend £45.195m at year-end. The underspend is mainly due to the way local authorities are now required to account for finance leases.

- 80. The revised Investment Strategy to 2022/23 is included at Appendix 2 for approval. It should be noted that capital receipts assumptions have been re-evaluated in light of Covid-19 and the Revised Investment Strategy takes accounts of this.
- 81. No schemes are currently proposed to be removed from the Investment Strategy. Also no schemes over the £150,000 threshold were transferred between services.
- 82. It is proposed to add the following two schemes above £150,000, to the revised Investment Strategy, set out at Appendix 2 for consideration and approval :
 - Transporter Bridge On 22 December 2020 Executive approved the implementation of an initial repair programme and the funding requirements to ensure the ongoing structural integrity of the Transporter Bridge. £655,000 of funds have been added to the Investment Strategy, consisting of £328,000 of Council resources and a contribution of £327,000 from Stockton Council.
 - Contact Centre £197,000 of Council resources have been added to the Investment Strategy to fund the conversion of a unit within the town centre bus station into a contact centre for Children's Care. The total cost of the conversion is £254,000, and £57,000 of pre-existing resources have also been transferred from the De-risking Sites budget held within the Finance Directorate to fully fund the scheme.
- 83. The following additions to schemes in the current Investment Strategy which have been recently approved by Executive are also to be included in the revised Investment Strategy, set out at Appendix 2 for consideration and approval :
 - Highways Infrastructure Development Section 106 £1,000,000 of external funds have been added to the Investment Strategy in 2022/23, due to Section 106 contributions being received in respect of the Grey Towers Farm housing development.
 - Highways Maintenance On 22 December 2020 Executive approved the addition of £2,098,000 of Council resources for highways infrastructure investment in 2021/22 to enable the immediate inspection of bridges and structures and subsequent repair works to be carried out.
 - Disabled Facilities Grant On 8 December 2020 the Ministry for Housing, Communities and Local Government announced that additional funding of Disabled Facilities Grant for 2020/2021 had been made available, the award of £269,166 to Middlesbrough Council has been added to the Investment Strategy.

- 84. The following reduction to an existing scheme within the current Investment Strategy is included within Appendix 2 for consideration and approval :
 - Education Primary / Secondary Sufficiency Scheme £300,000 of Council resources have been removed from the Investment Strategy. This has not had a detrimental effect on the scheme as the Council funding has been replaced by previously unallocated pre-existing Basic Needs grant.
- 85. It should be noted that a further year will be added to the Investment Strategy in the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to this Executive, which will be presented for approval by Council on 24 February 2021.
- 86. The split by Directorate is shown in the table below, which also shows the "real" projected outturn variance if all of the additional new schemes, increased schemes, reduced schemes, and transfers between directorates are excluded. Explanations for variances of +/- £150,000 across five schemes are set out in the following paragraphs. These variances require movement within the Council's four-year Investment Strategy, but do not affect the overall investment or cost of borrowing.

	2020/21	1 2020/21 2020/21			MEMO			
Directorate	Budget	Projected Outturn	Projected Outturn Variance		New, increased & reduced Schemes / transfers	Real projected outturn variance excluding new, increased, & reduced schemes / transfers		
	£'000	£'000	£'000		£'000	£'000		
Regeneration	26,233	25,180	(1,053)		70	(1,123)		
Environment and Community Services	8,673	8,993	320		419	(99)		
Public Health and Public Protection	0	0	0		0	0		
Education & Partnerships	4,618	4,912	294		(300)	594		
Children's Care	723	395	(328)		243	(571)		
Adult Social Care and Health Integration	3,633	3,597	(36)		269	(305)		
Legal and Governance Services	2,491	1,713	(778)		0	(778)		
Finance	3,992	405	(3,587)		(57)	(3,530)		
Total	50,363	45,195	(5,168)		644	(5,812)		

Regeneration

87. Middlesbrough Development Company - The Development Company has reassessed its funding requirements following the confirmation of start dates for construction works at Tollesby Shops and Bright Ideas sites. This has resulted in £925,000 of planned funding to the company being transferred to 2021/22.

Adult Social Care and Health Integration

88. Disabled Facilities Grant – Demand for the service remains strong however issues associated with Covid-19, including contractor's ability to undertake the works and concerns from clients who are shielding or those in high risk categories of contracting the virus, have delayed delivery, resulting in £264,000 being transferred into 2021/22.

Legal and Governance Services

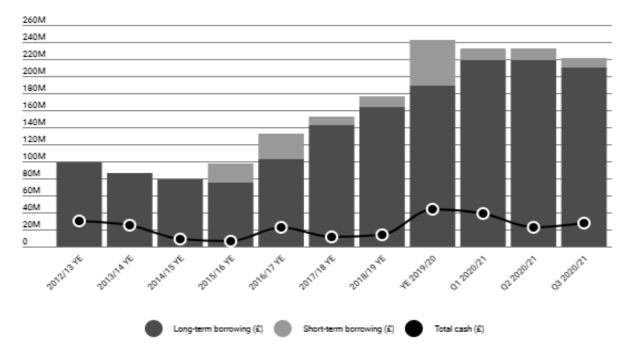
- 89. Desktop Strategy / Device Refresh Due to the Covid-19 pandemic the programme of works have been re-prioritised resulting in £177,000 of planned expenditure being re-profiled into 2021/22.
- 90. Enterprise Agreements Following a review of the payment profile of the agreements £361,000 of charges previously assumed to be paid in the current financial year have been transferred into 2021/22.

Finance

91. Capitalisation of Property Finance Lease Arrangements – The Chartered Institute of Public Finance and Accountancy (CIPFA) has deferred the requirement to show finance lease arrangements for properties within capital in their statement of accounts by one year. This has resulted in £3,500,000 being transferred into 2021/22.

Borrowing and reserves

92. The Council's total borrowing decreased by £10.3m from Quarter Two to stand at £221.7m at Quarter Three. This was due mainly to a reduction of £8.6m caused by an over recognition of the value of the finance leases for the two Centre Square buildings in the 2019/20 accounts, plus a reduction of £1.7m due to some annuity loans being repaid and the use of some internal borrowing from cash balances.



 Borrowing is well within the legal limit of £300m set by Council for 2020/21 as detailed within the Capital Strategy Report approved by Council on 26 February 2020. All other prudential indicators also remain within the limits originally set. 94. The table below sets out a summary of the balance of reserves and provisions at the start of 2020/21 and the projection as at year-end. The projected year-end balance assumes the Council's approval of the use of General Fund Reserve to cover the projected total 2020/21 revenue budget overspend.

Reserves and Provisions	Opening	Use In	Additional	Transfers	Transfers to	Used to fund	Balance at
	Balance	Year	Contributions	between reserves	General Fund	Outturn Position	Year End
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
General Fund	9,400	0	746	4,928	0	(2,796)	12,278
Earmarked Reserves	16,068	(2,355)	1,730	(4,887)	0	0	10,557
School balances	3,241	0	0	0	0	0	3,241
Provisions	2,507	0	0	(41)	(35)	0	2,431
TOTAL	31,217	(2,355)	2,476	0	(35)	(2,796)	28,508

What decisions are being asked for?

- 95. That the Executive notes the 2020/21 revenue budget Quarter Three total projected outturn of £2.796m, representing a £294,000 (-0.25%) underspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2020/21 of £3.090m, and the proposed actions to address this.
- 96. The Executive notes the proposed use of the General Fund Reserve, as approved by Council on 2 September 2020, to fund the total projected overspend in 2020/21.
- 97. That Executive approves the proposed revenue budget virements over £150,000 (Appendix 1).
- 98. That the Executive notes the 2020/21 capital budget Quarter Three predicted outturn of £45.195m against a budget of £50.363m, and approves the proposed revised Investment Strategy to 2022/23 at Appendix 2.

Why is this being recommended?

99. To enable the effective management of finances, in line with the Council's Local Code of Corporate Governance, the Scheme of Delegation and agreed corporate financial regulations.

Other potential decisions and why these have not been recommended

100. Not applicable.

Impact(s) of recommended decision(s)

Legal

101. The proposed recommendations are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

Financial

- 102. The Council's revenue outturn position for 2020/21 for non-Covid-19 elements is projected to be an underspend of £294,000 (-0.25%). This, when added to the estimated Covid-19 pressures of £3.090m, detailed in paragraphs 44 to 72 results in a total projected outturn pressure at year end 2020/21 of £2.796m. The total overspend in 2020/21 will be covered by the General Fund Reserve as approved by Council on 2 September 2020.
- 103. The predicted 2020/21 capital budget outturn at Quarter Three is £45.295m, which if approved will become the revised Investment Strategy budget.

Policy framework

104. The Strategic Plan(s) and associated budgets form part of the Council's Policy Framework. All proposed variations set out in this report are in line with authority delegated to the Executive.

Equality and diversity

105. As reported to Council in January 2020, no negative differential impact on diverse groups and communities is anticipated from the direction of travel set out in the Strategic Plan 2020-23 or the Council's planned budgetary expenditure.

Risk

106. In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reported to this Executive as part of the Strategic Plan 2020-23 – Progress at Quarter Three 2020/21 report.

Actions to be taken to implement the decision(s)

- 107. Mitigating activity set out in the main body of the report will continue to be applied by Directorates as stated.
- 108. The actions outlined within the body of the report in relation to overspending within Children's Safeguarding will continue to be implemented.
- 109. The virements detailed in Appendix 1 will be actioned in the Council's accounts following approval by Executive.
- 110. If approved the revised Investment Strategy included at Appendix 2 will be adopted.

Appendices

- 1 Proposed revenue budget virements over £150,000
- 2 Proposed revised Investment Strategy to 2022/23

Background papers

15/01/20	Council	Priorities of the Elected Mayor of Middlesbrough and Strategic Plan 2020-2023
26/02/20	Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2020/21
16/06/20	Executive	Strategic Plan 2020-23 – Progress at Year-end 2019/20
18/08/20	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2020/21
02/09/20	Council	Revenue and Capital Budget – 2020/21 Quarter One Projected Outturn position and the use of reserves for in year Covid-19 Pressures
29/09/20	Executive	Medium Term Financial Plan Update
24/11/20	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2020/21
24/11/20	Executive	Refreshing the Strategic Plan for the 2021-24 period
24/11/20	Executive	Medium Term Financial Plan Update, and Budget Savings Proposals 2021/22
22/12/20	Council	Medium Term Financial Plan Update, and Budget Savings Proposals 2021/22
16/2/21	Executive	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22

Contact:Andrew Humble, Head of Financial Planning & SupportEmail:andrew_humble@middlesbrough.gov.uk

Appendix 1 : Proposed virements over £150,000 at Quarter Three 2020/21

Proposed Virement Request	Regeneration £000s	Environment & Community Services £000s	Public Health and Public Protection £000s	Education & Partnerships £000s	Children's Care £000s	Adult Social Care and Health Integration £000s	Legal & Governance Services £000s	Finance £000s	Central Budgets £000s
Permanent									
	1								
Transfer of Mail and Print budget from Revenues & Benefits relating to cessation of Kier contract							161	(161)	
Total Virement	0	0	0	0	0	0	161	(161)	0
								Total:	0

Appendix 2: Proposed revised Investment Strategy to 2022/23

	Total Funding Required							
	2019/20	2020/21	2021/22	2022/23	TOTAL			
Regeneration	£'000	£'000	£'000	£'000	£'000			
Town Centre Related Projects	878	775	1,798	784	4,235			
Teesside Media & Innovation Village	7	-	-	-	7			
Middlehaven Related Projects	1,180	132	102	500	1,914			
Housing Growth	253	406	2,155	1,201	4,015			
BOHO 8	113	2,462	-	-	2,575			
воно х	440	1,110	11,415	13,960	26,925			
Acquisition of Town Centre Properties	-	10,090		30,000	40,090			
Centre Square Buildings 1 & 2	12,665		-	-	12,665			
Middlesbrough Development Company	700	1,745	12,158	-	14,603			
Teesside Advanced Manufacturing Park	15,607	1,543	380	-	17,530			
BOHO Car Park & Building Improvements	64			-	64			
Capitalisation Of Major Schemes Salaries	530	530	530	530	2,120			
Affordable Housing Via Section 106			1,255		1,255			
Highways Infrastructure Development Section 106			730	1,000	1,730			
Stainton Way Dixon Bank Junction - Section 106	1,348	12		1,000	1,360			
Section 106 Longlands to Ladgate Lane Link	1,348	12	-	-	1,300			
Section 106 Acklam / Hall Drive Improvements	97	-	-	-	97			
· · ·	31	-	-	-	31			
Rose Cottage Pedestrian Links - Section 106	51	-		-				
The Big Screen	-	-	20		20			
A66 Throughabout	1,658	2,537	-	-	4,195			
Mandale Interchange	72	319	100	-	491			
Tees Amp Footway / Cycleway	12	293	-	-	305			
Replacement of Pay & Display Parking Ticket Machines	-	-	189	-	189			
LED Street Lighting Upgrade (Phase 2)	1,844	332	85	-	2,261			
Joint Air Quality Unit (JAQU) - All schemes	849	622	-	-	1,471			
Members Small Schemes	71	64	-	-	135			
Grove Hill Joint Venture Projects	-	-	14	-	14			
Gresham Projects	414	789	-	-	1,203			
North Ormesby Housing Joint Venture - Section 106 funded	-	100	321	-	421			
Empty Homes 2015 To 2018	84	-	416	-	500			
Local Transport Plan	922	1,072	621	-	2,615			
Hemlington Grange Way	318	-	-	-	318			
Town Hall Venue Development	68	85	22	-	175			
Cultural Transformation	-	-	35	-	35			
Theatre Winches / Lifts	77	-	43	-	120			
Municipal Buildings	22	-	-	-	22			
Dorman Museum	48	21	-	-	69			
Orange Pip Market Equipment	36	-	-	-	36			
Contribution To Public Arts Projects	13	-	17	-	30			
Public Art Work	22	27	31	-	80			
Newham Grange Leisure Farm	890	99	-	-	989			
Leisure Trust Investment - Equipment	-		75	-	75			
Town Hall Telephone Kiosks Upgrade	-	15	-	-	15			
Stewart Park Section 106	-	-	45	-	45			
Total Regeneration	41,338	25,180	32,557	47,975	147,050			

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36 - 30 - 80 - 989 - 75 - 15 - 45		-
30 - 80 - 989 - 75 - 15 - - 45	69	-
80 - 989 - 75 - 15 - - 45	36	-
989 - 75 - 15 - 45	30	-
75 - 15 - - 45	80	-
15 - - 45	989	-
- 45	75	-
	15	-
94,996 52,054	-	45
94,996 52,054		
	94,996	52,054

		Total F	unding Re	quired	
	2019/20	2020/21	2021/22	2022/23	TOTAL
Environment and Community Services	£'000	£'000	£'000	£'000	£'000
Purchase of New Vehicles	1,889	358	870	1,000	4,117
Capitalisation of Wheeled Bin Replacement	100	100	100	100	400
Capitalisation of Street Furniture/Dog Fouling & Litter Bins	55	55	55	55	220
Capitalisation of Highways Maintenance	575	575	575	575	2,300
Property Services Building Investment	340	340	340	340	1,360
Parks Improvement	97	83	-	-	180
Bereavement Services	412	-	-	-	412
Middlesbrough Sports Village	-	-	-	-	-
Nunthorpe Playing Fields Section 106	6	57	-	-	63
Local Transport Plan - Highways Maintenance	1,547	2,465	2,198	-	6,210
Street Lighting-Maintenance	358	578	468	468	1,872
Urban Traffic Management Control	7	393	100	-	500
Flood Prevention	206	144	-	-	350
DFT Pothole Fund	-	1,100	-	-	1,100
Members Small Schemes	25	33	108	60	226
Property Asset Investment Strategy	2,341	1,083	548	1,099	5,071
Nunthorpe Sports Facilities	-	-	100	-	100
East Middlesbrough Community Hub	1,367	129	900	-	2,396
Christmas Lights	-	350	-	-	350
Section 106 Ormesby Beck	-	-	15	-	15
Section 106 Cypress Road	-	-	20	-	20
Hostile Vehicle Mitigation	-	495	75	-	570
Transporter Bridge	-	655	-	-	655
Total Environment and Community Services	9,325	8,993	6,472	3,697	28,487

Public Health and Public Protection

Middlesbrough Alcohol Centre of Excellence

Total Public Health and Public Protection

Health and Wellbeing Hub

Council	External
Funding	Funding
£'000	£'000
4,117	-
400	-
220	-
2,300	-
1,360	-
180	-
412	-
(404)	404
-	63
2,098	4,112
1,872	-
-	500
-	350
	1,100
226 5,000	-
5,000	71
-	100
2,396	-
350	-
-	15
-	20
570	-
328	327
21,425	7,062

Council	External
Funding	Funding
£'000	£'000
679	107
-	245
679	352

		Total F	unding Re	quired	
	2019/20	2020/21	2021/22	2022/23	TOTAL
Education & Partnerships	£'000	£'000	£'000	£'000	£'000
Block Budget (Grant) School Condition Allocation	-	-	124	-	124
Block Budget (Grant) Basic Needs	-	-	6,907	-	6,907
Block Budget (Grant) Special Provision Fund	-	-	-	-	-
Schemes in Maintained Primary Schools	2,538	2,786	930	125	6,379
Schemes in Primary Academies	11	221	28	-	260
Schemes in Secondary Academies	-	865	1,786	-	2,651
Schemes in Special Schools	78	936	147	-	1,161
Capitalisation of Salary Costs	102	104	106	-	312
Contribution to New School at Middlehaven	-	-	1,700	-	1,700
Block Budget (Grant) EFA Early Years 2 Year olds Entitlement			7		7
(Trajectory Project)	-	-	/	-	/
Caldicotes 2 year old provision	56	-	-	-	56
Total Education & Partnerships	2,785	4,912	11,735	125	19,557

Council	External
Funding	Funding
£'000	£'000
-	124
-	6,907
-	-
1,878	4,501
-	260
-	2,651
594	567
0	312
700	1,000
-	7
-	56
3,172	16,385

Total Funding Required

2020/21 2021/22 2022/23

£'000

756

756

-

£'000

-

-

TOTAL

£'000

786

245

1,031

2019/20

£'000

30

245

275

£'000

-

-

		Total F	unding Re	quired	
	2019/20	2020/21	2021/22	2022/23	TOTAL
Children's Care	£'000	£'000	£'000	£'000	£'000
Edge Of Care Project (Hub)	209	336	35	-	580
Edge Of Care Project (Spencerfield 117-120)	144	11	-	-	155
Edge Of Care Project (3 Broadwell)	217	8	-	-	225
Gleneagles Alterations	14	-	-	-	14
Holly Lodge Alterations	7	-	-	-	7
Rosecroft Renovations	-	20	150	16	186
Children's Care Residential Provision	-		230	-	230
Contact Centre - Bus Station Unit 1	-	20	214	20	254
Total Children's Care	591	395	629	36	1,651

Council	External
Funding	Funding
£'000	£'000
553	27
155	-
225	-
1	13
-	7
186	-
230	-
254	-
1,604	47

		Total F	unding Re	quired	
	2019/20	2020/21	2021/22	2022/23	TOTAL
Adult Social Care and Health Integration	£'000	£'000	£'000	£'000	£'000
Chronically Sick and Disabled Persons Act - All schemes	740	630	735	610	2,715
Disabled Facilities Grant - All schemes	2,194	2,681	2,729	-	7,604
Capitalisation of Staying Put Salaries	50	50	50	50	200
Home Assistance Loan	8	-	-	-	8
Home Loans Partnership (formerly 5 Lamps)	0	60	21	-	81
Small Schemes	25	48	-	-	73
Connect/Telecare IP Digital Switchover	146	128	110	-	384
Purchase of 5 vehicles - Tees Community Equipment Service	207	-	-	-	207
Total Adult Social Care and Health Integration	3,370	3,597	3,645	660	11,272

Council	External
Funding	Funding
£'000	£'000
2,608	107
823	6,781
200	-
-	8
-	81
-	73
330	54
-	207
3,961	7,311

		Total F	unding Re	quired	
	2019/20	2020/21	2021/22	2022/23	TOTAL
Legal & Governance Services	£'000	£'000	£'000	£'000	£'000
Desktop Strategy / Device Refresh	303	283	177	-	763
Enterprise Agreements	256	345	361	-	962
CRM	-	69	46	-	115
ІСТ ВОНО	20	-	-	-	20
IT Refresh - Scanning	81	-	-	-	81
Early Help Module (Children's)	42	-	-	-	42
IT Refresh - Network Refresh	180	7	156	-	343
IT Refresh - Lights On	200	253	48	-	501
IT Refresh - LCS Development Capture	5	-	25	-	30
IT Refresh - Business Intelligence	-	3	-	-	3
ICT Essential Refresh & Licensing	65	341	2,339	2,185	4,930
ICT Innovation Budget	14	324	162	-	500
GIS Replacement	218	38	129	-	385
Melrose House Data Centre	116	-	-	-	116
Civic Centre Device Refresh	38	-	-	-	38
Prevention & Partnership Tablets	-	-	70	-	70
HR Pay	-	-	37	-	37
Dashboards	46	50	-	-	96
Total Legal & Governance Services	1,584	1,713	3,550	2,185	9,032

Council	External
Funding	Funding
£'000	£'000
763	-
962	-
115	-
20	-
81	-
42	-
343	-
501	-
30	-
3	-
4,930	-
500	-
385	-
116	-
38	-
70	-
37	-
96	-
9,032	-

		Total F	unding Re	quired	
	2019/20	2020/21	2021/22	2022/23	TOTAL
Finance	£'000	£'000	£'000	£'000	£'000
Former Partnership Investment (ICT Infrastructure Revenues & Bene	38	74	360	-	472
Business World Upgrade	-	35	30	-	65
Derisking Sites	247	254	104	1,200	1,805
Town Centre Accommodation Strategy	143	42	-	4,396	4,581
Capitalisation of Property Finance Lease Arrangements	-	-	3,500	1,000	4,500
Middlesbrough Share in Veritau Tees Valley	20	-	-	-	20
					-
Total Finance	448	405	3,994	6,596	11,443

Council	External
Funding	Funding
£'000	£'000
472	-
65	-
1,805	-
4,581	-
4,500	-
20	-
11,443	-

		Total F	unding Re	quired		
	2019/20	2020/21	2021/22	2022/23	TOTAL	
All Directorates	£'000 £'000 £'000 £'000				£'000	
Total All Directorates	59,716 45,195 63,338 61,274 229,52					

£'000	£'000
146,312	83,211
Council	External
Funding	Funding
£'000	£'000
71,079	-
46,874	-

External

Funding

71,163

12,048

83,211

.

Council

Funding

27,071

146,312

-

-1,288 _

		Total Funding			
	2019/20	2020/21	2021/22	2022/23	TOTAL
Funded by:-	£'000	£'000	£'000	£'000	£'000
Borrowing	28,312	18,549	13,490	10,728	71,079
Finance Leases	12,374	-	3,500	31,000	46,874
Capital Receipts	1,165	5,358	14,597	5,951	27,071
Grants	14,700	18,081	25,787	12,595	71,163
Contributions	3,158	2,140	5,750	1,000	12,048
Revenue Resources	7	1,067	214	-	1,288
Funding from Reserves	-	-	-	-	-
Total Funding	59,716	45,195	63,338	61,274	229,523

Note

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Expenditure and funding in 2019/20 has decreased by £8,461,000 from previous reports due to a change in the accounting requirement for the recognition of the Centre Square Buildings following the 2019/20 audit of the Council's accounts.

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MIDDLESBROUGH COUNCIL



Report of:	Richard Horniman, Director of Regeneration and Culture.		
	Ian Wright, Director of Finance.		
	Councillor Ashley Waters, Executive Member for Regeneration.		
	Councillor Chris Hobson, Executive Member for Finance and Governance.		
	1		

Submitted to:	Executive - 16 February 2021	

Summary

Proposed decision(s)
That Executive approves the disposal of Phase 2 of the Gresham Housing Site to Thirteen Housing Group on a 999 year lease at nil consideration for the reasons set out in the business case.

Report for:	Key decision:	Confidential:	Is the report urgent? ¹
Decision.	Yes.	No	No.

Contribution to delivery of the 2020-23 Strategic Plan			
People	Place	Business	
The development of housing, will contribute towards Middlesbrough's Housing Growth Programme and increase the quality and quantity of homes available to residents.	Investing in Middlesbrough to provide new housing on a key site, which will support the regeneration of the town centre and help create an attractive place to live, work and visit.	The proposed development of 81 new Band A homes will potentially generate over £110k per year from Council Tax to support the Council's Medium Term Financial Plan.	

Ward(s) affected

Newport Ward.

What is the purpose of this report?

1. The purpose of the report is to consider the proposed disposal of Phase 2 of the Council's land in the Gresham Regeneration Area to Thirteen Housing Group on a 999 year lease.

Why does this report require a Member decision?

2. The proposal relates to the long-term lease of land with an Asset Valuation of in excess of £150k.

Report Background

- 3. The Elected Mayor of Middlesbrough has an ambition to attract an additional four thousand people to live in the town centre in the next ten years. The Mayor's ambition accords with the priorities for Place, set out in the Strategic Plan 2020-23, which states that the Council will build more town centre homes to boost businesses and increase vibrancy, while reducing the need to build on green space.
- 4. The Housing Local Plan 2014 identifies a priority to develop of new housing to meet aspirational needs and create a sustainable and balanced mix of housing in order to deliver successful regeneration on brownfield sites such as Gresham.
- 5. In addition, the Council's Strategic Housing Market Assessment (2016) identifies a need for an additional 200 affordable homes per annum over the period 2016-34.
- 6. The establishment of a viable and vibrant city centre living concept will give confidence to occupiers, developers and investors that the town centre is a safe, comfortable and well managed place in which to enjoy living, learning/working and leisure time.

Gresham Phase 1

- 7. In August 2019, Executive approved the creation of a Strategic Partnership with Thirteen Housing Group and North Star Housing Group, so that the parties could work together in a cohesive way to bring sites forward, primarily in urban locations but potentially throughout the town, to facilitate its housing development programme.
- 8. The first site to be brought forward under the Strategic Partnership arrangement was the Gresham Phase 1 housing site, for which Executive approved a lease to Thirteen for a period of 999 years.
- 9. Market research undertaken by Thirteen had identified that there was demand for high quality affordable homes close to the amenities in the town centre and proposed a mix of mews houses, apartments and bungalows, based on the needs of local residents, to create a modern housing offer for the community.
- 10. The Council has subsequently completed the demolition of the remaining properties in Phase 1 and entered into a lease with Thirteen, with work commencing on site in December 2020.

Gresham Phase 2

- 11. As reported in August 2019, Executive had previously approved the sale of the remainder of the Gresham site (including three commercial properties on Linthorpe Road) to Teesside University to facilitate the development of a Student Village. The proposed sale would have generated a capital receipt for the Council.
- 12. The Council was subsequently informed that the University was withdrawing its offer for the site as a consequence of interest expressed by Thirteen Group to redevelop the whole of the Gresham site for residential housing and because the need for additional student accommodation would be met by the completion of the Cornell development.
- 13. Thirteen confirmed their interest in securing the additional land at Gresham (excluding the three Linthorpe Road properties), which was to be sold to Teesside University as a Student Village, to complement their initial proposal and have submitted a Development Appraisal based on an 81 unit scheme of affordable homes and apartments. A site plan is attached as Appendix 1.

Land Value

- 14. The Council has approached the proposed disposal of the Phase 2 site in the same manner as it did for Phase 1 and, as part of its due diligence processes has commissioned independent chartered surveyors, Lambert Smith Hampton (LSH), to carry out a Red Book valuation of the land, based on Thirteen's development appraisal. The Royal Institute of Chartered Surveyors (RICS) Valuation Professional Standards (the 'Red Book') contains mandatory rules and best practice guidance for all surveyors to ensure that the valuation produced is as accurate as possible and contains all the information required.
- 15. An Asset Valuation undertaken by Align Property Partners values the first acre at £350k per acre, based on commercial use, and the remaining 3.57 acres at £280k per acre for residential use, giving a gross value of £1,349,600. The Align valuation assumes an estimated 50% allowance for abnormal costs, for the removal of services, foundations and roads to prepare the site for development, which gives a net value of £674,800. An Asset Disposal Business Case is attached as Appendix 2 to this report.
- 16. This Asset Valuation sets out a gross land value based on the comparable market value of similar development sites within the local area, and then applies an uninformed notional abnormal cost estimate to that gross figure, in order to generate the net sum that has been recorded on the Council's Asset Register.
- 17. For the avoidance of doubt, the follow up valuation appraisal work produced by LSH is predicated on the relevant layout, scheme and cost information presented to the Council by Thirteen, and concludes that the development proposal will not generate a payment of a capital receipt to the Council. A combination of fundamental appraisal factors have combined to drive the residual down and generate a negative out-turn land value, which in fact reaffirms the view of the partners that the scheme is not viable in pure market terms:
 - a) <u>Income</u> the market value that has been applied to the sale and rent of the affordable housing units proposed is not capable of generating the level of income

required to cover the cost of delivering the development scheme that has been presented by Thirteen;

- b) <u>Development costs</u> the high build costs that have been incorporated within the appraisal reflect the complexities of developing a brownfield site, in such a challenging town centre location;
- 18. From a valuation perspective, and with consideration of the factors set out in Paragraph 16 above, the proposal to dispose of the land for £NIL consideration is justified. As a result, the residual land value becomes negative – making the development of the site not feasible in pure market terms.
- 19. Given the valuation evidence presented in Paragraphs 17 and 18 above, the buyer's proposal to enter into a private treaty transaction is deemed to accord with Council's asset disposal protocol. It is also recognised there is a need to approach development of the site from the perspective of a partnership that can work together in order to mitigate the effect of lower sales values and the costs of development if the site is to be brought forward in a viable form.
- 20. This report will, therefore, seek approval to dispose of the Phase 2 site to Thirteen on a 999 year lease. From the Council's perspective, a long-term lease is preferable to a freehold disposal as it will provide the Council with a greater level of control over the development of the site in the long term.
- 21. The LSH appraisal has confirmed that the build costs associated with a development of the quality proposed by Thirteen, and the limited rental income, as a consequence of social housing constraints, would not generate a capital receipt for the Council. Furthermore, from a valuation perspective, the land values that might be generated by alternative uses would not exceed that of the residential use being proposed.

Wider Socio-Economic Benefits

- 22. The absence of a capital receipt cannot be considered in isolation. The wider socioeconomic benefits to the town must also be considered. Thirteen hold Strategic Partner status with Homes England and have secured additional grant funding to significantly increase the development of affordable homes.
- 23. The lease of the site to Thirteen, given their Strategic Partner status, would potentially deliver the benefits set out below:
 - a) The opportunity to further progress the Mayor's Urban Living agenda.
 - b) The completion of the redevelopment of a key gateway site.
 - c) The development of 81 units of affordable housing.
 - d) A higher than average build rate of around 50 units per year.
 - e) The generation of over 110k per year from Council Tax, based on Band A.
 - f) A 2014 study by the Centre for Economics and Business Research shows that for every pound invested in affordable house building, a further £1.42 is generated in the wider economy.

Delivery Timescales

24. The Thirteen proposal is to commence work on site in the summer of 2021 and, with a build out rate of around 50 units a year, will be complete within two years.

What decision(s) are being asked for?

25. That Executive approves the disposal of Phase 2 of the Gresham housing site to Thirteen Housing Group on a 999 year lease at nil consideration for the reasons set out in the business case.

Why is this being recommended?

- 26. The Elected Mayor of Middlesbrough has an ambition to attract an additional four thousand people to live in the town centre in the next ten years. The Mayor's ambition accords with the priorities for Place, set out in the Strategic Plan 2020-23, which states that the Council will build more town centre homes to boost businesses and increase vibrancy, while reducing the need to build on green space.
- 27. In addition, the Council's Strategic Housing Market Assessment (2016) identifies a need for an additional 200 affordable homes per annum over the period 2016-34.
- 28. The development of Gresham would make a major contribution to Middlesbrough's regeneration ambitions. These include:
 - a) increasing developer confidence, acting as a catalyst to stimulate the Urban Living market;
 - b) enhancing the visual appeal of the town centre, which would contribute to an attractive place to live work and visit; and,
 - c) improving the vitality of the town centre, increasing occupancy and creating additional footfall as a result of additional people living in the town centre.

Impact(s) of recommended decision(s)

Legal

- 29. There is a specific power of disposal under S233 of the Town & Country Planning Act 1990 (TCPA) for land held for planning purposes, which will apply to Gresham Phase 2 as the land was acquired for planning purposes.
- 30. The Council has a statutory duty to dispose of land for the best consideration that can reasonably be obtained and there is a risk that the Council may face allegations or claims for breach of statutory duty given the absence of marketing the site and the £NIL disposal. A disposition of land held for planning purposes for a consideration less than the best that can reasonably be obtained requires secretary of state consent. However the Council's Head of Valuation & Estates, supported by the LSH appraisal, has concluded that the disposition is not a disposition at an undervalue due to the factors outlined in paragraphs 17 to 21 of this report.
- 31. As part of the proposed long leasehold disposal mechanism, the Council will seek an "option to surrender" from Thirteen in relation to the delivery of the scheme.

Financial

- 32. As part of the Council's due diligence processes to assess potential risk prior to the initial Gresham land disposal, a financial credit check was undertaken, which confirmed that Thirteen Housing Group have sufficient resources to undertake the proposed development.
- 33. An Asset Valuation report produced by Align values the land at £674,800, based on comparable sites that exist within the general area. However, a Red Book appraisal undertaken by independent chartered surveyors, LSH, has confirmed that the build costs associated with a development of the quality proposed by Thirteen, and the limited rental income, as a consequence of social housing constraints, would not generate a capital receipt for the Council.
- 34. The proposal from Thirteen will, however, potentially generate over £110k per year from Council Tax in perpetuity (based on Council Tax Band A).

Policy Framework

- 35. The decision would not affect the Council's policy framework. The decision is aligned with the Mayor's vision to attract an additional four thousand people to live in the town centre in the next ten years.
- 36. The decision is also aligned to the Medium Term Financial Plan as the proposed housing development will generate income from Council Tax.

Ward

- 37. The property is situated in the Newport Ward and the respective Ward Members have been consulted.
- 38. Members will be further consulted on any subsequent proposal made as part of the normal planning process.

Equality and Diversity

39. The Impact Assessment, attached as Appendix 3, has concluded that the decision would not have any disproportionately negative impacts.

Risk

40. The following high level risks, which are identified in the Strategic and Directorate Risk Registers, will be reduced if Thirteen build out the Gresham site at the proposed rate.

O1-005 - If poor economic growth occurs, then this will reduce public and private sector investment in the town, including town centre retail, housing development and business.

O1-045 - If delivery of the new housing programme does not meet the projected targets then this can have a negative impact on the assumptions within the MTFP.

- 41. The following risks are directly associated with the proposed lease of the land to Thirteen.
 - a) Price: The Council has not marketed the site, so there is a risk that best consideration is not being achieved. The LSH appraisal has, however, confirmed that a proposal of the quality and nature proposed by Thirteen would not generate a land value. In addition from a valuation perspective, the land values that might be generated by alternative uses would not exceed that of the residential use being proposed.
 - b) Quality: The quality of the development will be controlled via the statutory planning process and the mechanism provided by the long leasehold disposal proposed.
 - c) Delivery timescales: The Council cannot directly control the build out rate, but the legal documentation will include appropriate terms regarding the timescales for planning consent, the start of development, and, an option to surrender.
 - d) Judicial Review: The Council and Teesside University stated during the CPO inquiry that the subject land was to be sold to the University to facilitate the development of a Student Village. Counsel advice has confirmed that as the CPO provided that the land was to be purchased for "the purpose of development, redevelopment or improvement on the land to contribute to the promotion or improvement of the economic, social and environmental well-being of Newport Ward, Middlesbrough", a residential development would be within the purpose of the CPO.

Actions to be taken to implement the decision(s)

42. Subject to Executive approval, the Council will commence the preparation and completion of legal documents relating to the lease of the Gresham housing site to Thirteen.

Background papers

Body	Report title	Date
Executive	Long-term lease of Gresham Housing Site to Thirteen Housing Group	27 th August 2019

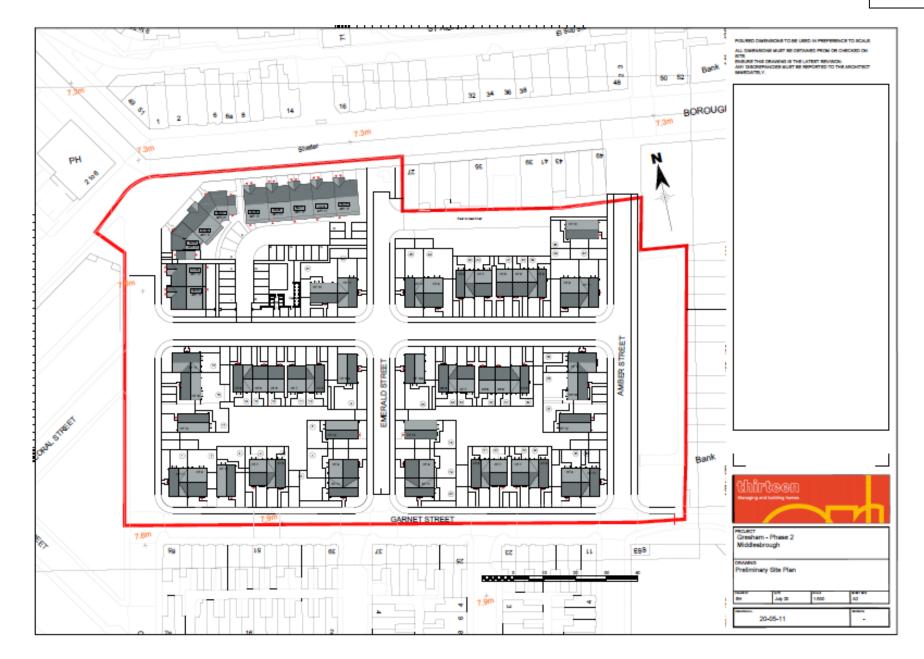
Appendices

Appendix 1: Site Plan

Appendix 2: Asset Disposal Business Case

Appendix 3: Impact Assessment Level 1: Initial Screening Assessment

Appendix 1



8

Asset Disposal Business Case

Name of Asset:	Gresham Housing Site – Phase 2 (4.57 acres)	
Asset Register Number:	12029/510 – Gresham Phase 2a (3.83 acres) * 12029/510 – Amber Street car park (0.65 acres) 12029/510 – Garnet Street car park (0.09 acres)	
	* The area differs from that given in the Asset Valuation report.	
Current Use:	Vacant site comprising a partially cleared development site & two temporary car parks.	
Valuation at Current Use (Asset Register) £:	Gresham Phase 2a: 1.0 acres @ £175k per acre £175,000* (Commercial) 2.83 acres @ £140k per acre £396,200* (Residential)	
2019 Asset Valuations	Amber Street car park:£46,000Garnet Street car park:£50,000Total£667,200	
	Above values taken from 2020 Asset Valuation Reports.	
Reason for Disposal:	* The area differs from that given in the Asset Valuation report. The Council is in discussion with Thirteen regarding the comprehensive development of housing on the site, which will support the Mayor's vision to house an additional 4000 people in the town centre of the next ten years.	
Latest Valuation (Proposed Disposal) £:	Based on the Asset Valuations referred to above, but assuming that the current temporary car parking use comes to an end and the commercial and residential valuations will apply across the whole site, the proposed use valuation is:	
	Commercial 1.0 acres @ £175k = £175,000 Residential 3.57 acres @ £140k = $\underline{£499,800}$ Total = $\underline{£674,800}$	
	£674,800 - subject to a Red Book Valuation appraisal of the proposed scheme by an independent third party valuer, to assess all applicable development and abnormal scheme costs and confirm the net residual land value payable.	

Asset Disposal Stream (Please Select):

Generate Capital Receipt	√ [3]
Stimulate Economic Activity	√ [1]
Support Communities	√ [2]

(In the event of more than one stream being relevant please rank in order of importance (1), (2), (3)

Officer requesting Disposal (Responsible Service Manager):

Name:	Andrew Carr
Position:	Development Services manager

Could the asset be disposed of for an alternative use that may give a higher capital receipt to the Council?

(To be completed by Valuation and Estates): (Tick)

T		I
Yes	No	

If yes please outline potential use:

Estimated Value at Alternative Use:	£
-------------------------------------	---

Key factors to be considered when assessing potential disposals:

1.	Contributes towards the Mayor's agenda to increase Urban Living.
2.	Maintains a vibrant town centre community
3.	Investment provides addition benefits by way of New Homes Bonus
4.	Provision of recurring income [Business Rates & Council Tax] in perpetuity

Any additional financial factors to be considered other than immediate capital receipt:

Middlesbrough Council is in a Strategic Partnership with the Thirteen Group, and North Star Housing to assist in the delivery of its housing ambitions and, to this end, has agreed to lease the Phase 2 site to Thirteen.

The subject parcel of land [measuring @ 4.57 Acres] has been identified by the partnership as an opportunity on which to bring forward housing development in an urban setting located close to the centre of Middlesbrough. Delivery of the site via this partnership vehicle would help facilitate delivery of the Council's housing development programme and bring the site into far more beneficial future use.

The site is valued at a sum of £674,800 – with the figure stated reflecting the value of the land for commercial and market housing development and adjusted with an allowance for as yet unknown abnormal costs. A Red Book Valuation appraisal of the proposed development scheme will be undertaken by an independent third party valuer in order to assess the applicable development and abnormal scheme costs, and confirm the net residual land value payable.

The land value will therefore be subject to further adjustment pending the outcome of that valuation exercise, and the subsequent agreement of the same with the buyer. In addition to any capital receipt payable, disposal of the land for residential development purposes will bolster the Authority's Council Tax revenue going forward in perpetuity.

Asset Not Needed by the Council - Approved to proceed:

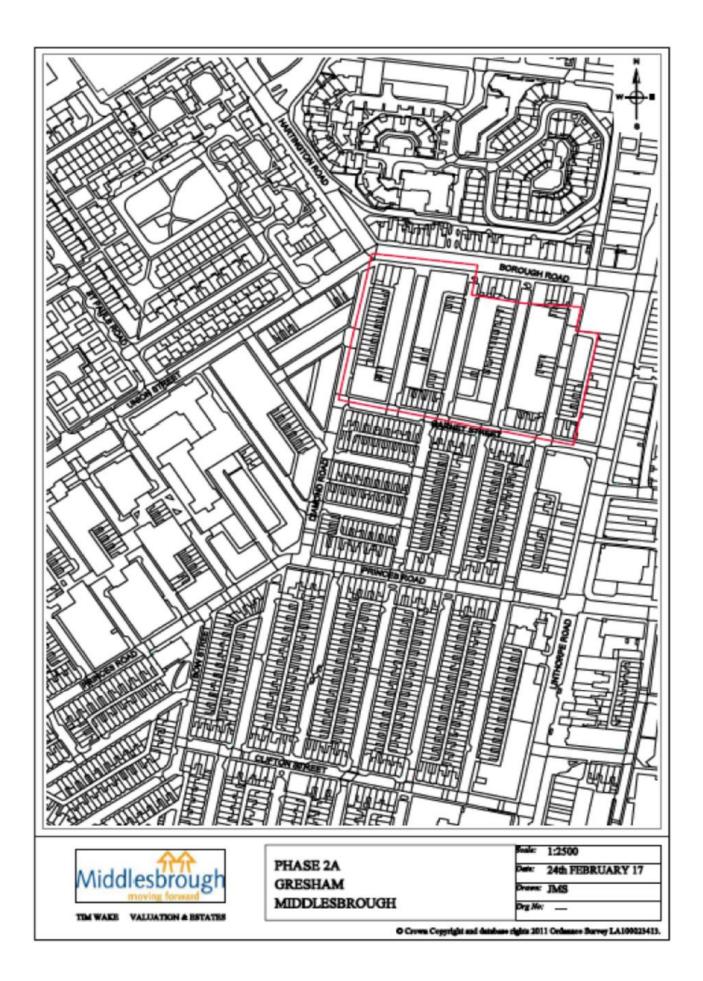
Head of Asset Management:	(Yes) Tick	No (Tick)	Date:	
Hr. Stelard	~		06 th August 2020	

Preferred Method of Marketing (to be completed by Valuation & Estates): (Tick)

Formal / Informal Offers	
Private Treaty	✓
Auction	
Community Asset Transfer Process	

Method for Final Approval (before proceeding with preferred method of marketing):

Estimated Value:	Approval Required:	Authorised:	Date:
Less than £50,000	Valuation & Estates		
	Manager		
Between £50,000 &	Director of Legal &		
£150,000	Governance Services		
More than £150,000	Executive Committee	Dwif Alemi	06 th August 2020



Appendix 3 - Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Long-term lease of Phase 2 of the Gresham Housing Site to Thirteen Housing Group					
Coverage:	Service specific.					
	Strategy	Policy	Service Functio		on	
This is a decision relating to:	Process/procedure	Programme	Project Review		ew	
	Organisational change	Other (please state) Asset manager	ment			
It is a:	New approach: Revision of an existing approach:		\square			
It is driven by:	Legislation:		Local or corporate requirements:		\square	
Description:	Key aims, objectives and activities To assess the impact of the proposal to dispose of Council land on a long lease. Statutory drivers (set out exact reference) The Local Government Act 1972 Section 123, as amended by the Local Government Planning and Land Act 1980 Section 118 Schedule 23 Part V. Key stakeholders and intended beneficiaries (internal and external as appropriate) The Council, Thirteen Housing Group, and the local community. Intended outcomes The proposed disposal of the subject site would deliver the following outcomes: • Establish a viable and vibrant city centre living concept, which will give confidence to occupiers, developers and investors that the town centre is a safe, comfortable and well managed place in which to enjoy living, learning/working and leisure time. • The redevelopment of a key gateway site. • The development of 81 units of affordable housing. • The generation of over £110k per year from Council Tax, based on Band A.					
Live date:	February 2021					
Lifespan:	Not applicable					
Date of next review:	Not applicable					

Screening questions		sponse Evidence		Evidence
		Yes	Uncertain	Louence
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*				It is considered that the disposal of the subject land on a long lease will not impact negatively on individual human rights as the proposal represents a significant and positive enhancement for the local and wider area, which outweighs the loss of the parcel of land. This assessment has been made taking into account: • the fact that the land is a former housing market renewal site that has been assembled since 2006; • the development of 81 new affordable homes that the disposal will facilitate; and, • the establishment of a thriving urban living market, which will diversify the town centre economy.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*				 The Council has a duty to consider the impact of the proposed decision on relevant protected characteristics, to ensure it has due regard to the public sector equality duty. Therefore, in the process of taking decisions, the duty requires the Council to have due regard to the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. It is considered that the proposal to facilitate the development of affordable housing will not have a disproportionate adverse impact on a group, or individuals, because they hold a protected characteristic. Evidence used to inform this assessment includes engagement to date with relevant Council departmental teams and Thirteen, together with analysis of the terms and conditions that will be incorporated within the proposed sale.

^{*}Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

ommunity cohesion ould the decision impact negatively on relationships between fferent groups, communities of interest or neighbourhoods ithin the town?*		There are no concerns that the proposal could have an adverse impact on community cohesion. The decision to dispose of the land on a long lease to facilitate the development of affordable housing will not impact negatively on relationships between different groups. The decision would assist the Council's Social Regeneration agenda, ensuring a steady supply of affordable housing to meet the needs of its emerging and aspiring population.
ne Mayor's Vision For Middlesbrough buld the decision impact negatively on the achievement of the sion for Middlesbrough?*		The disposal of this land on a long lease is aligned to the Mayor's Vision to attract an additional fou thousand people to live in the town centre in the next ten years. The Mayor's ambition accords with the priorities for Place, set out in the Strategic Plan 2020-23, which states that the Council will build more town centre homes to boost businesses and increase vibrancy, while reducing the need to build or green space.
rganisational management / Change Programme ould the decision impact negatively on organisational anagement or the transformation of the Council's services as at out in its Change Programme?*		The decision would not have any negative implications for the Council's transformation programme The Housing Strategic Partnership will generate Council Tax which supports the Council's Medium Terr Financial Plan.

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MIDDLESBROUGH COUNCIL



Report of:	Director of Regeneration, Richard Horniman		
	Executive Member for Regeneration, Councillor Ashley Waters		
Submitted to:	Executive - 16 February 2021		
Subject: Middlesbrough Council Local Implementation Plan (LIP)			

Summary

Proposed decision(s)

That the Executive approves the draft LIP to proceed to public consultation.

Report for:	Key decision:	Confidential:	Is the report urgent? ¹		
Decision	Yes	No	No		

Contribution to delivery of the 2020-23 Strategic Plan						
People	Place	Business				
Working with communities and external stakeholders to improve the lives of our residents.	Securing improvements in Middlesbrough's housing, transport infrastructure and attractiveness, improving the town's reputation, creating opportunities for local people and improving our finances.	Promoting investment in Middlesbrough's economy and making sure we work as effectively as possible to support our ambitions for People and Place.				

Ward(s) affected

The strategy affects all wards.

What is the purpose of this report?

1. To seek approval of the draft LIP and commence public consultation.

Why does this report require a Member decision?

2. The Council has prepared the draft LIP, and is requesting approval to commence public consultation. This is in line with the Council demonstrating transparency in its approach, and considering the views of its stakeholders. As the LIP contains

¹ Remove for non-Executive reports

transport proposals which may be contentious (from an infrastructure and policy perspective), a member decision to progress is required.

Report Background

- 3. Under the devolved powers of the Tees Valley Combined Authority (TVCA), there is an expectation that each Local Authority within the region produces a LIP, in line with the Strategic Transport Plan (STP) produced by TVCA.
- 4. The LIP provides the local context and content as to how the local Highway Authority (Middlesbrough Council) will deliver local transport priorities and initiatives to ensure delivery of the overarching objectives of the STP.
- 5. The LIP also includes both Mayoral and Strategic Plan objectives; identifying the proposals that will assist in achieving these objectives simultaneously.
- 6. The draft LIP has been prepared following the STP being approved, and Middlesbrough Council is keen to gain public opinion on its approach to ensuring that the area develops its transport network appropriately.

What decision(s) are being asked for?

7. Approval of the draft LIP, and to commence public consultation.

Why is this being recommended?

- 8. The Council is required to produce a strategy document to identify how it will improve its transport network. The draft LIP has been produced by the Transport & Infrastructure team, under the guidance of TVCA's STP and both the Mayor's strategy and Council's Strategic Plan.
- 9. The LIP contains potentially contentious proposals, and it is required that this is approved by executive prior to placing this within the public domain.
- 10. The Council is keen to gauge the views of its stakeholders prior to adopting the proposed methodology. As a result, approval is required from the Executive prior to commencing public consultation on inappropriate proposals.

Other potential decisions and why these have not been recommended

- 11. None approval of the draft LIP. This has been rejected, as it has been developed following guidance of corporate and strategic objectives.
- 12. Approve the draft LIP without public consultation. This has been rejected as the Council is keen to understand the views of its stakeholders. This is imperative to ensure that the Council is delivering the right proposals for betterment of the local transport network.

Impact(s) of recommended decision(s)

13. The recommended decision will consolidate the Councils strategy for improving the transport network, allowing stakeholders to shape the content of the document. This will ensure that the Council is complying with the expectations of TVCA under devolved power, while remaining transparent in its approach.

Legal

14. No legal implications are identified at this stage.

Financial

15. No financial implications are associated with the LIP, however the LIP will be used to develop Capital Programmes in to the future.

Policy Framework

16. There is an expectation from TVCA that Middlesbrough Council produces a LIP, in line with its STP. As this is a strategy document, it will continue to shape existing and future policy.

Equality and Diversity

17. Equality and diversity issues would be considered as part of any future programme, as and when any specific elements are progressed. This would be considered for smaller schemes, however the LIP has been subjected to an Equality Impact Assessment as a strategy document.

Risk

18.Not applicable.

Actions to be taken to implement the decision(s)

19.;

- Publicise document for consultation; allowing feedback to be received
- Collate feedback, and consider responses for altering the document
- Provide public comment feedback (where appropriate)
- Present final LIP document for Executive endorsement

Appendices

Appendix I – Draft LIP Appendix II – Draft LIP Delivery Action Plan Appendix III – LIP Equality Impact Assessment

Background papers

No background papers were used in the preparation of this report.

Contact:	Chris Orr
Email:	chris_orr@middlesbrough.gov.uk

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Middlesbrough Local Implementation Plan 2021



Transport & Infrastructure **Middlesbrough Council**









Introduction - Tees Valley 04 Middlesbrough context 05 Highway management & planning 06 Heirarchy of need 07 How will we measure success? 08 **Appendix 1:** 10 Monitoring data & graphs **Appendix 2:** 24 Inventory of supporting documents

Introduction - Tees Valley



The Tees Valley has ambitious plans to grow the local economy. Over the next 10 years, there is a collective target to create 25,000 new jobs and build 22,000 new homes, as set out in the Tees Valley Strategic Economic Plan (SEP) and supporting Local Industrial Strategy (LIS).

Transport is central to the delivery of the SEP and LIP in terms of managing its impact on the environment and helping the people who live and work in Tees Valley to fulfil their potential. As a result, the region needs a first class, connected transport system that allows people and goods to be fully connected, moving easily and safely.

The Transport Vision for the Tees Valley is:

"To provide a high quality, quick, affordable, reliable and safe transport network for people and freight to move within, to and from Tees Valley."

To support the SEP and LIS, a Strategic Transport Plan (STP) has been prepared, consulted upon and approved by the Tees Valley Combined Authority (TVCA). This sets out how the partner organisations and stakeholders will improve and invest in the transport network to make the vision a reality. Page 152

The STP is aimed at people living and working in Tees Valley, as well as business owners, developers, Government, partner organisations and investors.

The Tees Valley Strategic Transport Plan can be found here:

https://teesvalley-ca.gov.uk/transport/strategic-transport-plans

To support the STP, a series of 'daughter documents' have been prepared; This document is the Middlesbrough Council Local Implementation Plan (LIP), which sets out how the STP will be delivered within Middlesbrough.



Middlesbrough is at the heart of the 'city centre' region, surrounded by the neighbouring local authorities of Darlington, Hartlepool, Redcar & Cleveland and Stockton Borough Councils.

Middlesbrough Council's Strategic Plan sets out a number of priorities designed to promote the future prosperity of the town and its people. These priorities are grouped into three overarching themes:



2. Place

3. Business

(The full list and detail of themes are contained within the Action Plan table)

The LIP sets out the integral role that transport will play in delivering these priorities, together with the priorities set out in the STP. This plan has six specific objectives:

- Reduce the number and severity of casualties on the Borough's highway network
 - Minimise congestion and manage traffic flow on the highway network
 - Improve highway network reliability and resilience
 - Improve local air quality
 - Remove transport as a barrier to accessing jobs, education and training, leisure and retail opportunities
 - Provide targeted interventions and measures to assist mode shift and allow highway users to make informed travel choices

Highway management & planning

Middlesbrough needs a well-planned, efficient, attractive and fully integrated transport network in order to deliver the Council's strategic priorities.

Middlesbrough Council has numerous statutory responsibilities, including the management of the local highway network. The Traffic Management Act 2004 (TMA) introduced the Network Management Duty for Local Traffic Authorities (LTAs) such as the Council. Section 16 of the TMA sets out the requirements of the Network Management Duty, as follows:

"It is the duty of a Local Traffic Authority to manage their road network with a view to achieving, so far as is reasonably practicable having regard to their other obligations, policies and objectives, the following

objectives; 🝟

Securing the expeditious movement of traffic on the Authority's road network; and

b. Facilitating the expeditious movement of traffic on road networks for which another Authority is the Traffic Authority."

In order to assist with the delivery of Network Management duty, the Council has developed a strategic transport model covering all of Middlesbrough. This model is used to manage traffic growth, enable appropriate development to proceed, identify priority locations for interventions and test these interventions to ensure that they will operate efficiently and deliver best value for the funding available.

Building on the last set of successful interventions, the Council developed the next locations identified for improvements to assist in delivering its objectives. Details can be found in the Council's Integrated Transport Strategy.

http://democracy.middlesbrough.gov.uk/ aksmiddlesbrough/images/att1015383.pdf To enable continued growth, accessibility and connectivity within the Tees Valley; the implementation of a long-term, forward thinking and sustainable City scale Transport network for all highway users is necessary, demonstrating that Middlesbrough is a place that is open and connected for business.

In line with the Council's Integrated Transport Strategy (ITS), the LIP provides further detail as to how a fully integrated transport network can be realised. This will improve both access within the Borough and provide a gateway to the rest of the Tees Valley.

An efficient and safe transport network is an integral element to attract inward investment, allowing businesses to develop in cluster areas appropriate to both their own and their customer needs. With this strategy, the Council is making a clear statement that will seek to manage the highway network more efficiently, including the introduction of measures designed to achieve modal shift. The level of car ownership in the Tees Valley (and particularly in Middlesbrough) is lower than the UK average (31% of households have no car), yet 73% of journeys are made by car.

The local road network plays a key role in supporting economic growth. However, unless managed efficiently, traffic congestion can constrain the future economic growth of the local area. Reducing dependence on the private car will tackle congestion, improve air quality and help to deliver both social and economic regeneration.

Hierarchy of need

In order to promote and assist informed travel choices, the Council has adopted a hierarchy of highway users (shown in the diagram on the right).

This hierarchy will be at the heart of everything the Council does as the Highway Authority and will help to identify the different themes, which will be addressed through the implementation of this Strategy.

The LIP identifies opportunities for overlap between different modes of transport to ensure seamless accessibility. For example, walking and cycling routes will connect to public transport infrastructure at key interchanges, at which higher quality facilities such as bus 'superstops' will be introduced. This seamless interconnectivity will ensure that the local transport network is accessible to everyone; helping to remove transport as a barrier to accessing key jobs and services.

The following Action Plan sets out how the objectives of the LIP will be met, whilst also contributing toward the priorities in the STP and the Council's Strategic Plan. An integrated transport network that promotes and incentivises sustainable travel will reduce dependence on the private car, thereby improving accessibility and releasing capacity on the road network without the need for expensive (and often unaffordable) highway improvement schemes. This capacity unlocks further development, allowing sustained economic growth to take place.



How will we measure success?

By implementing the outcomes identified within the action plan, the Council we will be providing Middlesbrough a platform in which to thrive, achieve all objectives and ultimately improve the local area for all people living, working and enjoy the retail and leisure facilities.

The Council has identified a number of indicators, together with historical and baseline data, which will be used to track progress and inform if changes are required to address corporate priorities.

While progress against these indicators will be monitored closely, it must be appreciated that there are a number of external influences at national and local level that may impact on the effectiveness of the chosen interventions. These include:

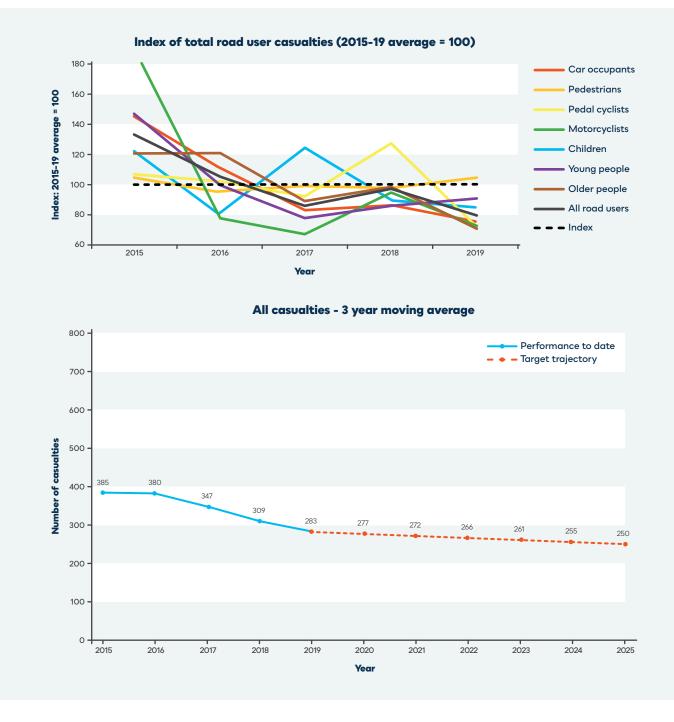


The targets set for each indicator are set out in the table opposite. Appendix 1 contains the historical and trend data for each indicator.

Ref.	Outcome	How monitored?	Current value (2020)	Target	Risks against achieving
1	Reduction in the incidence and severity of casualties on the Borough's highway network	Road casualty data	See graph in Appendix 1.1	Reduce total number of casualties, based on a three-year moving average - 250 incidents by 2025	 Increase in traffic flows Increase in number of vulnerable road users Constraints on capital and revenue funding
2	Minimise congestion/ manage traffic flows	Average congestion monitoring across the network	See graphs in Appendix 1.2	A reduction in the peak flows and congestion %, and reduced longevity	 Increase in traffic flows Constraints on capital funding
3	Improve highway network reliability and resilience	Average vehicle delays monitored across the network	See graphs in Appendix 1.3	A reduction in the average delays observed in length and period	 Increase in traffic flows Constraints on capital funding
4	Increased public transport patronage	Operator patronage	7,216,360 bus journeys 1,409,680 train journeys (2018/19) See graphs in Appendix 1.4	Increase by 1%	 Car parking accessibility and cost Resistance to priority measures on key routes Poor accessibility to new developments Engaging private sector operators Delays in delivering Middlesbrough Railway Station capacity improvements
5	Ensure no structural failures on the highway network, and improved asset condition	Observation - no infrastructure failures, and asset condition surveying	O failures in structures See graph in Appendix 1.5 for asset condition	O failures, and reduction in red rated asset	 Increase in traffic flows Constraints on capital funding for capacity improvements
6	Improve local air quality	Air quality monitoring assessments	All monitored pollutants below objective levels See graph in Appendix 1.6	All monitored pollutants below objective levels	 Increase in traffic flows Constraints on capital funding for capacity improvements Political/public resistance to infrastructure improvements Improved accessibility to non- sustainable modes of travel Poor public transport accessibility
7	A more accessible transport network	Journey times	See graph in Appendix 1.7	Journey times by all modes to decrease	 Car parking accessibility and cost Consultation on proposed infrastructure improvements Poor public transport accessibility Engaging private sector operators Constraints on capital funding
8	Fewer people unemployed	% of people registered unemployed	See graph in Appendix 1.8	Reduction in the levels of unemployment in Middlesbrough	•Economic decline
9	More businesses registered in Middlesbrough	Middlesbrough Council business register	See graph in appendix 1.9	Increase in the number of registered businesses in Middlesbrough	•Economic decline

Appendix 1: Monitoring data & graphs

Casualty data



The overall trend since 2015 has been consistently downwards, although progress has slowed slightly in recent years.

The challenge over the five-year period covered by the LIP will be to maintain the downward trend in casualty numbers against a background of increasing traffic flows and reduced capital and revenue resources, particularly if the number of journeys made on foot and by cycle rises as expected.



2. Congestion and delay (reliability) monitoring

Monitoring of congestion, vehicle flows and delay will be undertaken at 3 key junctions in order to assess the overall picture within the Councils Highway network. The 3 junctions are as follows:

1. Hartington Interchange – major Town Centre interchange connecting the strategic local network with the A66 (Key Road network)

2. Borough Road/Newport Road – major Town Centre junction between 2 key strategic local roads

3. Stainton Way/Dixons Bank junction – major out of town junction on the strategic local network

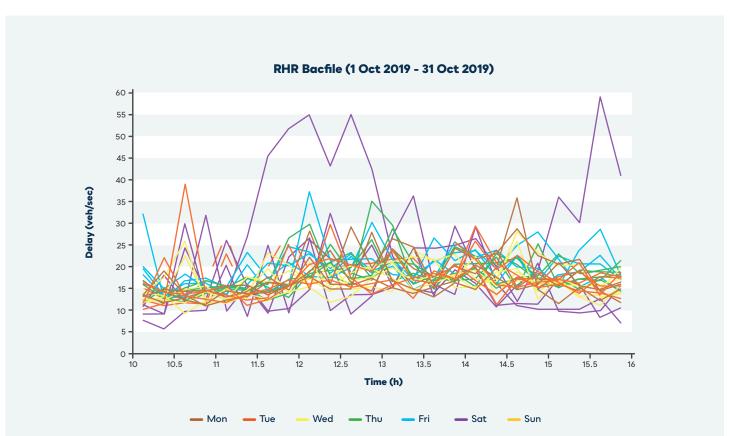
Data is taken from the month of October, as this is a traffic neutral month in so far as people tend to travel relatively consistently throiughout (not typically impacted by bad weather, holiday seasons etc). The following graphs highlight the variance between the years 2016 and 2019. 2020 has been avoided due to the impact of the COVID-19 pandemic on traffic (vastly reduced).

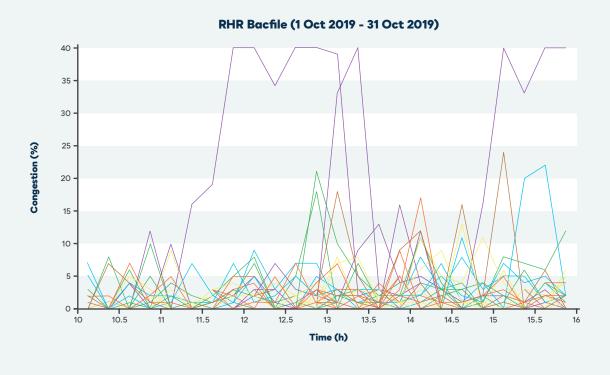
It is worth noting that these comparisons are snap shots in time, and that there could be anomalies within the data sets. This monitoring is being used to provide a general overview, however, local factors could quite significantly impact the reliability of the information, such as road works, Road Traffic Accidents, and local events etc, which all can disrupt the movement of people and times of travel on the network.

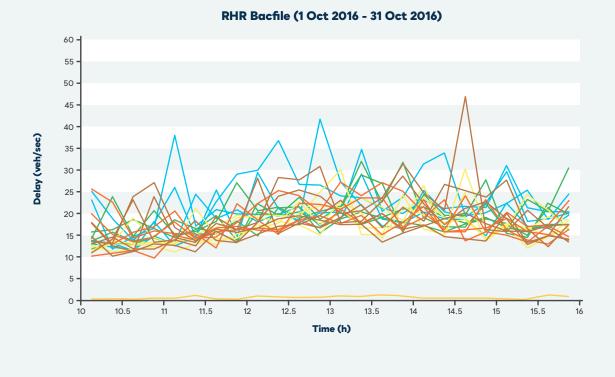
Hartington Interchange (RHR 2016 vs 2019)

The below graphs highlight a slight reduction in the peaks of delay to vehicles at the junction, however the overall level of delay is also slightly lower in 2019 versus 2016. In terms of the congestion witnessed at this junction, 2019 is quite noticeably lower in 2019, particularly in the AM.

The information from 2019 is flatter, and much less sporadic than 2016, indicating more stability, and therefore more reliable journey times.

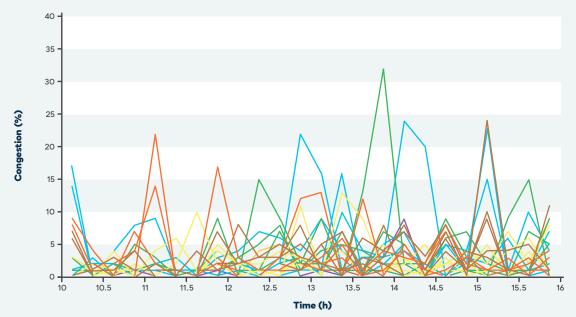








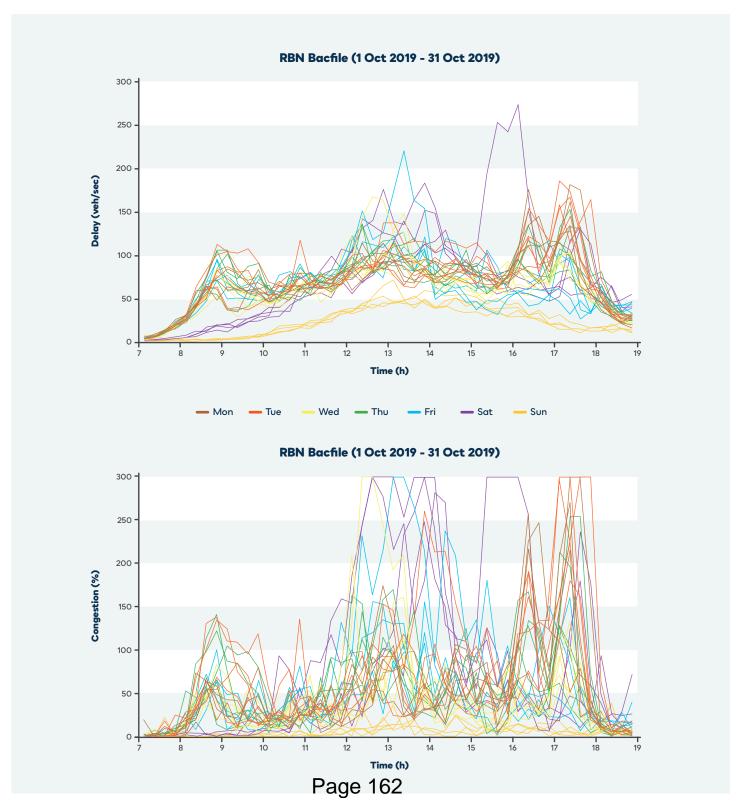
RHR Bacfile (1 Oct 2016 - 31 Oct 2016)

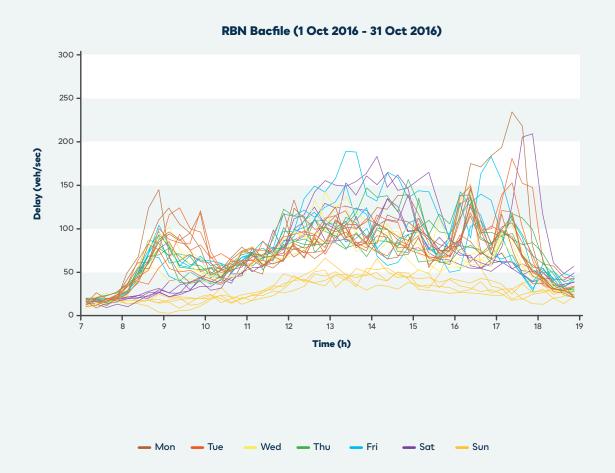


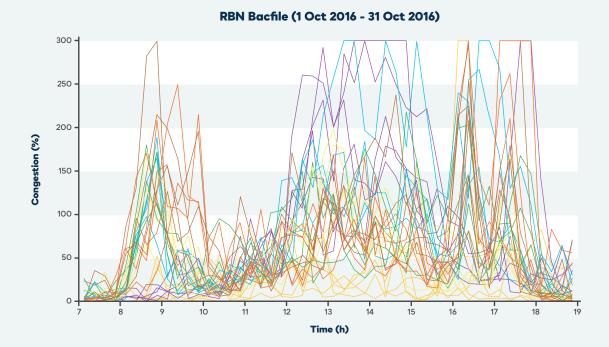
Signal junctions in the Region BN from Borough Road / Albert Road through to Newport Road / Hartington Road / Borough Road / Newport Road (RBN 2016 VS 2019)

The below graphs highlight a slight reduction in delays at the junction in the AM peak in 2019, however there appears to be a more sustained level of delays throughout the day.

In terms of congestion, the AM peak in 2019 is significantly improved, whereas the remainder of the day is not too dissimilar to the levels witnessed in 2016. The congestion appear to be quite sporadic, and therefore highlight that journey time through this junction can be quite unpredictable, and therefore more unreliable.





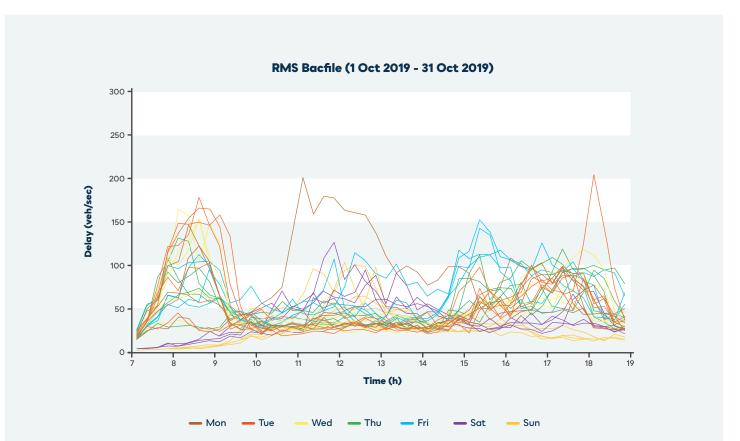


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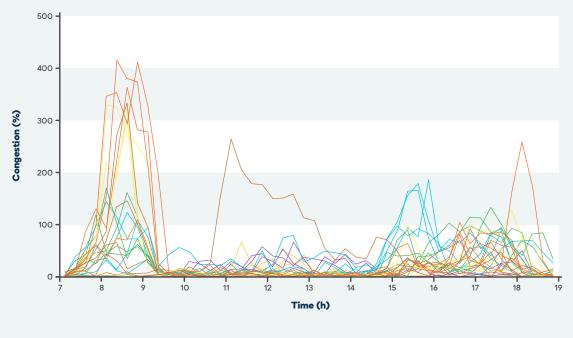
Marton Road corridor from A174 Marton Country Club junction through to Dixons Bank junction (RMS 2016 Vs 2019)

The below graphs highlight a slight increase in the AM peak delay rates in 2019 in comparison to 2016, however overall, the delays witness throughout the remainder of the day are noticeably lower.

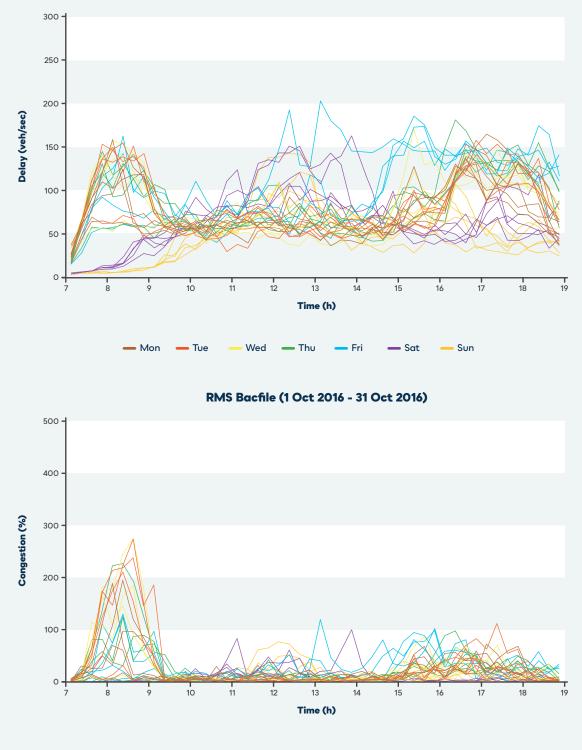
Congestion in 2019 is markedly higher in 2019 compared to 2016 in the AM peak, and the rest of the day is only slightly higher. There are higher, more sporadic peaks in 2019, indicating less reliability of journey times.



RMS Bacfile (1 Oct 2019 - 31 Oct 2019)



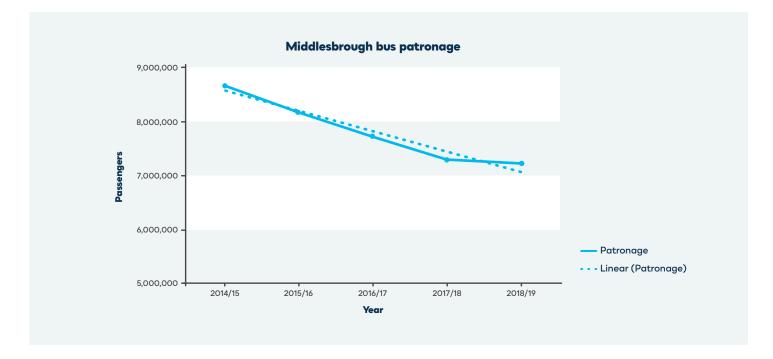




Overall, the above graphs are highlighting that the journeys through the designated junctions have become slightly more reliable, and slightly less congested between 2016 and 2019 on the key road network, but slightly worse on the local network. This will continue to be monitored for future comparison.

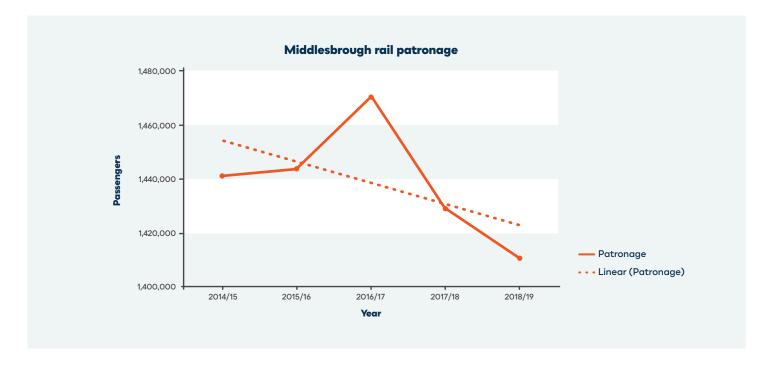
This information will assist in identifying areas to investigate improvement works in order to create a more reliable and less congested highway network.

Public transport patronage figures



The graph above shows a long-term decline in bus patronage. This is not a unique position to Middlesbrough and is linked to the removal of supported services funding; which essentially reduced the accessible network.

Proposals contained within the LIP and ITS are aiming to reverse decline in bus patronage by creating a Tees Valley bus partnership with operators that will make it a more seamless and accessible mode of travel by all people living, working and visiting Middlesbrough.

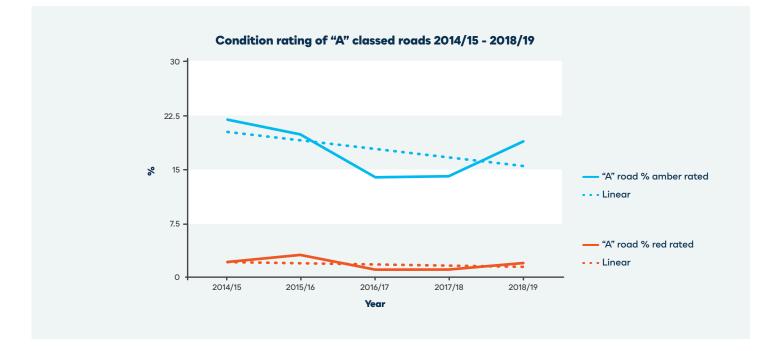


Rail patronage has had more sporadic patronage levels. The overall trend is now stable. However, work at Middlesbrough Rail Station, franchising improvements and the direct London service will improve connectivity for Middlesbrough on both a pan-regional and national scale, not seen previously.





Asset condition %



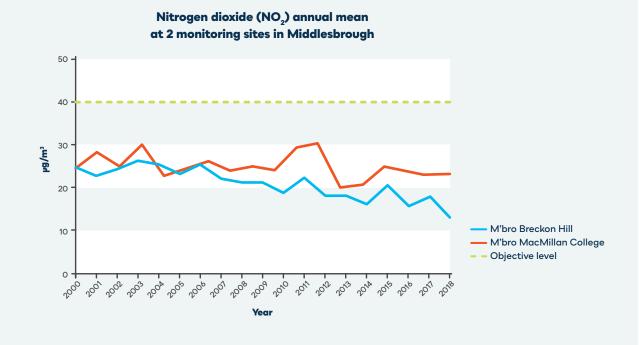
The council's asset condition surveys are undertaken annually, and provide an assessment of the quality of the network. A reduction in national funding, coupled with increased demand has resulted in a gradual decline in the asset condition. However, Middlesbrough is still in band 1 (top tier) ranking across the country. There have been no structural failures recorded in the borough.

5. Air quality data

Middlesbrough Council monitors air quality against a number of key pollutants. The air quality in Middlesbrough is not in breach of any objective levels, and has improved over time. Transport is linked to different pollutants to a varying degree; the following figures highlight the position of those where transport has a key input.

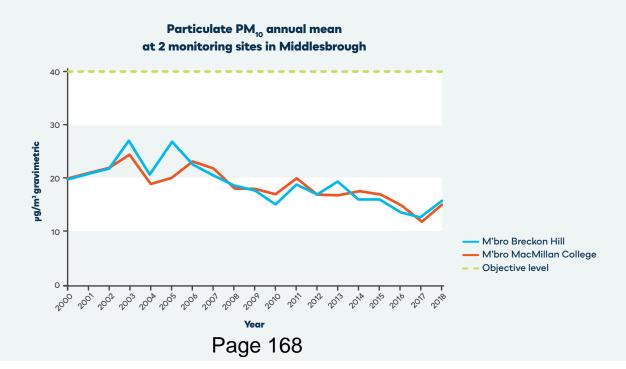
Nitrogen Dioxide (NO₂);

Road transport associated with up to 49% of the overall levels of pollutant. Linked to internal combustion engine (vehicles) burning fuel, particularly diesel fuelled vehicles.



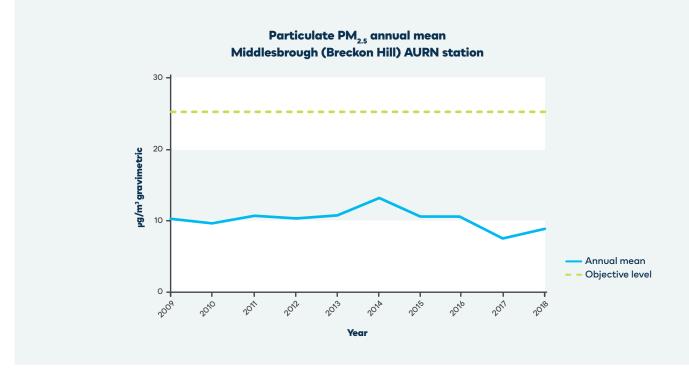
Particulate Matter (PM₁₀);

Road transport associated with approximately 20% of the overall levels of pollutant. Linked to incomplete combustion of fuel (soot), and tyre / brake wear.



Particulate Matter (PM_{2.5});

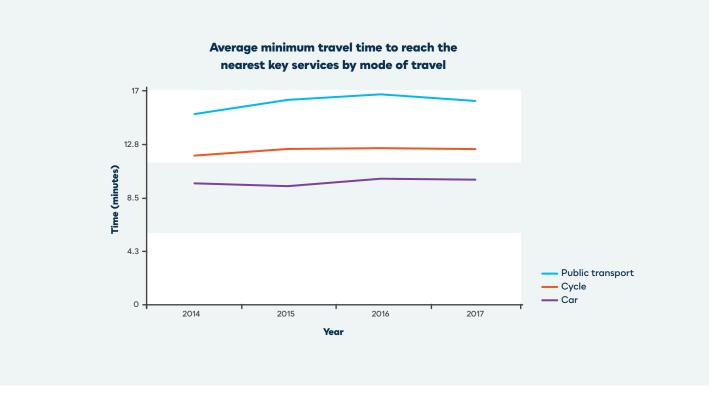
Only monitored at Breckon Hill



For a full report on air quality monitoring, please visit:

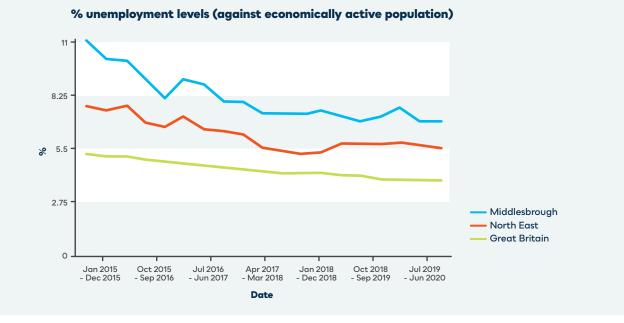
https://middlesbrough.gov.uk/environment-and-public-protection/advice-and-information/air-quality

6. Accessible network



The above graph produced by the Department for Transport identifies the average minimum time to access key services (Employment Centres, Education, GP surgeries, Hospital, Food Stores, and Town Centres). Time taken to access these services has increased slightly over the monitored period. The Council aims to reduce the time taken to access these services by sustainable transport.

Employment statistics



The graph highlights the percentage of people employed from the economically active population of Middlesbrough, the North East and Great Britain. This highlights a decrease in the levels of unemployment across each population, however Middlesbrough has higher levels of unemployment than the greater populations. Increasing levels of employment increases pressure on the local highway network, as more people travel to jobs, creating pressure on the highway network.

Economic growth (new business growth)



The graph above highlights an increase in the number of businesses registers within Middlesbrough since 2015. This correlates with the reduction in unemployment. Increased numbers of businesses increases economic activity, however increases the pressure on the highway network, as more people rely upon it to travel as part of accessing opportunities.

Appendix 2: Inventory of supporting documents

As identified within the Action Plan Table, a number of supporting documents are available, each of which provides further detail around the individual elements within the LIP. These documents are listed below:

💶 4 Year Highway Maintenance Plan

https://www.middlesbrough.gov.uk/sites/default/files/4%20 Year%20 Highway%20 Maintenance%20 Plan%202018.pdf

2 Access For All

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7776/156681.pdf

Air Quality Monitoring

https://www.middlesbrough.gov.uk/sites/default/files/Middlesbrough%20Borough%20Council%20%20Air%20Quality%20Annual%20Status%20Report%202019.pdf

Cross Boundary Agreement Middlesbrough/Redcar

https://middlesbrough.gov.uk/sites/default/files/Highways-Cross_Boundary_Agreement_2012.pdf

5 Cycling Strategy

https://www.middlesbrough.gov.uk/sites/default/files/Middlesbrough%20Cycling%20Strategy.pdf

🚺 Definitive Map and Statement

https://middlesbrough.gov.uk/parking-roads-and-footpaths/travel-and-getting-around/walking-and-public-rights-way/definitive-map-and-statement

D English National Concessionary Travel Scheme (concessionary bus passes)

http://search3.openobjects.com/kb5/middlesbrough/fsd/service.page?id=6ut6qMHy5Eg

8. HAUC (UK) - New Roads & Street Works Act 1991 -

Full Code of Practice for Co-ordination of Street Works

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/43578/ street-works-code-of-practice.pdf

No. Highway Asset Management Communication Plan

https://middlesbrough.gov.uk/sites/default/files/Highway_Asset_Management_Communication_Plan_Jan2016.pdf

100 Highway Maintenance Specification

https://middlesbrough.gov.uk/sites/default/files/Highways-Highway_Maintenance_Specification.pdf

1 Highway Network Management Plan

https://middlesbrough.gov.uk/sites/default/files/Highways-Highway_Network_Management_Plan.pdf

12 Highway Safety Inspection Manual

https://www.middlesbrough.gov.uk/sites/default/files/Highway-Safety-Inspection-Manual-Oct18.pdf

13 Highways England Design Manual for Roads and Bridges

http://www.standardsforhighways.co.uk/ha/standards/dmrb/

149 Highways England Specification for Highways Works

http://www.standardsforhighways.co.uk/ha/standards/mchw/vol1/

15. Housing Local Plan

https://www.middlesbrough.gov.uk/sites/default/files/PlanPol-Housing_Local_Plan.pdf

100 Independent Travel Training

https://www.middlesbrough.gov.uk/sites/default/files/Independent_Travel_Information_for_Parents.pdf

1 Integrated Transport Scheme

http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/images/tt1015383.pdf2



18 Investment Prospectus

https://www.middlesbrough.gov.uk/sites/default/files/Middlesbrough-Investment-Prospectus_final-proof-March-2017_0.pdf

120 Local Cycling and Walking Implementation Plan (LCWIP)

https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Cycling-Implementation-Plan.pdf

20 Local Flood Risk Management Strategy

https://middlesbrough.gov.uk/sites/default/files/Middlesbrough%20LFRMS%20Sept%2016.pdf LTP3 - https://middlesbrough.gov.uk/sites/default/files/LTP_2011-16.pdf

21. Local Industrial Strategy

https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Local-Industrial-Strategy-Evidence-Base-Report.pdf

😕 Management of Electronic Traffic Equipment

http://www.ukroadsliaisongroup.org/en/utilities/document-summary.cfm?docid=B089A94C-6174-4584-A3E12AC2C7CB3706

Mayors Vision 2025

https://middlesbrough.gov.uk/sites/default/files/Vision%20for%20Middlesbrough%202025.pdf

Middlesbrough Parking Strategy

https://middlesbrough.gov.uk/sites/default/files/Parking%20Strategy%202009%202014.pdf https://www.middlesbrough.gov.uk/sites/default/files/Parking-strategy-2015-2020.pdf

25. Middlesbrough Sustainable Travel Strategy (home to school)

https://middlesbrough.gov.uk/sites/default/files/Middlesbrough%20Sustainable%20Travel%20Strategy.pdf

26 Operational Guidance for Parking Policy and Enforcement

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/695793/ operational-guidance.pdf

22 Parking Data including Annual Reports from 2013-2019

https://www.middlesbrough.gov.uk/open-data-foi-and-have-your-say/open-data-and-policies/parking-data

23. Public Rights of Way (PROW) Map

http://rightsofway.middlesbrough.gov.uk/standardmap.aspx?NavigationPage=Page1

22 Safety at Streetworks & Road Works - A Code Of Practice

 $https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/321056/safety-at-streetworks.pdf$

SEP Exec Summary

https://teesvalley-ca.gov.uk/wp-content/uploads/2016/12/SEP-Exec-Summary.pdf

31. Strategic Plan (Chief Executive)

https://www.middlesbrough.gov.uk/sites/default/files/Strategic%20Plan%202020-2023.pdf

32 Sustainable Drainage (Tees Valley)

https://middlesbrough.gov.uk/sites/default/files/Tees-Valley-sustainable-drainage-Sept_2017.pdf

3 Tees Valley Bus Strategy

https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Bus-Implementation-Plan.pdf

Tees Valley Design Guide and Specification

https://middlesbrough.gov.uk/sites/default/files/Design-guide-and-specification-Aug18.pdf

Tees Valley Freight Strategy

https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Freight-Implementation-Plan.pdf

365 Tees Valley Rail Strategy

https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Rail-Implementation-Plan.pdf



100 Tees Valley Road Strategy

https://teesvalley-ca.gov.uk/wp-content/uploads/2020/02/Tees-Valley-Roads-Implementation-Plan-2020.pdf

33 Traffic Regulation Orders; Traffic Regulation Act 1984

https://researchbriefings.files.parliament.uk/documents/SN06013/SN06013.pdf

399 Transport Asset Management Plan

https://www.middlesbrough.gov.uk/sites/default/files/Highways-Transport_Asset_Management_Plan_2007.pdf

極 Transport Asset Management Plan Part 1

https://middlesbrough.gov.uk/sites/default/files/Highways-Transport_Asset_Management_Plan_pt1.pdf

Transport Asset Management Plan Part 2

https://middlesbrough.gov.uk/sites/default/files/Highways-Transport_Asset_Management_Plan_pt2.pdf

2 Transport Network Management Plan

https://middlesbrough.gov.uk/sites/default/files/Highways-Traffic_Network_Management_Plan.pdf

Ultra-Low Emission Vehicle (ULEV)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/239317/ultra-low-emission-vehicle-strategy.pdf

4 Winter Maintenance Plan

https://www.middlesbrough.gov.uk/sites/default/files/Winter-maintenance-plan-2019-20.pdf

The LIP is influenced by and influences a number of key Middlesbrough Council

strategy documents. These include:

Https://www.middlesbrough.gov.uk/planning-and-housing/planning/planning-policy

45 Investment Prospectus

 $https://middlesbrough.gov.uk/sites/default/files/Middlesbrough-Investment-Prospectus_final-proof-March-2017_0.pdf$





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Strategy (what?)	Actio		ouncil will achieve the aims and objective g improvements for the different modes o ions for the benefit of the Middlesbrouch						Measuring success (how will we kno	w we have been successful?)	
		ambit	ions for the benefit of the Middlesbrough	population, but also simultaneously assis	sting in achievi	ng wider aims and	d object	tives.	Daughter documents (for further detail/information)	Location of documents	Outcomes
MBC Mayoral objectives MBC corporate objectives (2025) STP ambitions MBC LIP ambitions People Physical regeneration - Investing in Middlesbrough to provide and in Middlesbrough to provide and severity of casualties on the 1) To provide a high quality, quick, affordable, reliable 1) Reduce the number and severity of casualties on the	LIP themes Pedestrians	What we want to achieve? More people walking safely for transport, recreation and	How this will link to ambitions overview of theme (narrative) Walking is an accessible and cost effective mode of travel.	What will we do to achieve this? Further develop the Councils walking strategy; which will guide and monitor the Councils position	MBC Mayoral	MBC corporate 2, 7, 8, 14, 16		LIP 1, 2, 3, 4, 5, 6	Integrated Transport Strategy	http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/images/att1015383.pdf	(across all themes - how will we know we've been successful) 1) Reduction in the incidence and severity of casualties on the
improve facilities for people and provide and a cubic and the town's reputation, create for people and freight to opportunities for people and move within, to and from Tees improve our finances Valley		leisure	Increasing the accessibility of transport for short journeys, and facilitating residents with no access to private cars to access services and employment opportunities. This also helps to reduce congestion, and improve the local environment by reducing pressure on the network and being	Create a legible, consistent network along defined strategic corridors on North/South, East/West axis and new orbital route(s) which will enable connection into adjacent	3, 6	2, 7, 8, 14, 16		1, 2, 3, 4,	LCWIP, Integrated transport strategy	https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Cycling-	Borough's highway network 2) Minimise congestion/manage traffic flows 3) Improve highway network reliability and resilience (1) Incroaced public transport patronage
1) Tackling crime and anti- social behaviour head on1) We will successfully promote Middlesbrough - improving our town's reputation, and attracting new investment,2) Social opportunity - helping people access employment, education, healthcare, culture, leisure and retail2) Minimise congestion and manage traffic flow on the highway network			zero emission mode of transport. As an active travel mode, participation also helps people to improve their health and well being. The current trend of reducing number of people gaining driving licenses will place pressure to provide alternate mode	Authority areas to provide accessibility across the whole Tees Valley Ensure that new developments are designed in such a	3, 4, 5, 6,	1, 2, 7, 8, 14, 16	1, 2,	1, 2, 3, 4,	PROW map	http://rightsofway.middlesbrough.gov.uk/standardmap.aspx?NavigationPage=Page1	 4) Increased public transport patronage 5) Ensure no structural failures on the highway network, and improved asset condition 6) Improve local air quality
visitors and residents locations and improving public health and wellbeing			driving licenses will place pressure to provide alternate mode accessibility; such as walking.	way to integrate within the adjacent transport network and deliver the appropriate infrastructure to provide wider strategic links or fill missing links in facilities through financial contributions and/or physical measures			3, 4	5, 6	Transport Network Management Plan	https://middlesbrough.gov.uk/sites/default/files/Highways-Traffic_Network_ Management_Plan.pdf	7) A more accessible transport network 8) Fewer people un-employed 9) More businesses registered in Middlesbrough
2) Ensuring Middlesbrough has the very best schools 2) We will transform our town centre, improving its accessibility, developing Centre Square as an iconic 3) Economic growth - delivering the Strategic Economic 3) Improve highway network reliability and resilience Centre Square as an iconic Tees Valley office, leisure and residential location, creating growth plans of Tees Valley Local Authorities, helping 3) Improve highway network				Work with TVCA on the LCWIP programme to develop ambitious infrastructure proposals	3, 6	2, 7, 8, 14, 16	3, 4		Definitive Map and Statement	https://middlesbrough.gov.uk/parking-roads-and-footpaths/travel-and-getting-around/ walking-and-public-rights-way/definitive-map-and-statement	
iconic spaces for digital, flourish media and leisure businesses, and building new homes to promote town centre living				Continue to deliver child road safety initiatives in schools, such as pedestrian training Work with TVCA to promote walking as a mode of	3 3	8,9 8,9	1, 2, 3, 4	5, 6	Middlesbrough Sustainable Travel Strategy (home to school?)	https://middlesbrough.gov.uk/sites/default/files/Middlesbrough%20Sustainable%20 Travel%20Strategy.pdf	
3) Ensuring our town is an absolute leader on environmental issues 3) We will improve Middlesbrough's rail connectivity, and promote 4) Environmental protection & enhancement - addressing the impact of the transport 4) Improve local air quality				Superstops to ensure full integration with other modes of	3, 6	2, 7, 8, 14, 16	3, 4 1, 2, 3, 4	1, 2, 3, 4,	LCWIP, Integrated Transport Strategy	https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Cycling- Implementation-Plan.pdf	
investment in the surrounding area to encourage business growth	Cyclists	for transport, recreation and	Cycling is an accessible and cost effective mode of travel. Increasing the accessibility of transport for short journeys, and	travel Further develop the cycling strategy; which will guide and monitor the Councils position	3,6	2, 7, 8, 14, 16	1, 2, 3, 4		Integrated Transport Strategy	http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/images/att1015383.pdf	
Place 4) We will implement our cultural strategy - investing in our existing cultural assets, 5) Remove transport as a barrier to accessing jobs, education and training, leisure and retail		leisure	facilitating residents with no access to private cars to access services and employment opportunities. This also helps to reduce congestion, and improve the local environment by reducing pressure on the network and being zero emission mode of transport.	Create a legible, consistent network of Cycle Super Highways along defined strategic corridors on North/ South, East/West axis and new orbital route(s) which will	3, 6	2, 7, 8, 14, 16	1, 2, 3, 4	1, 2, 3, 4, 5, 6	Cycling Strategy	https://www.middlesbrough.gov.uk/sites/default/files/Middlesbrough%20Cycling%20 Strategy.pdf	
creating new performance opportunities spaces, and introducing a new programme of festivals and events across the town			As an active travel mode, participation also helps people to improve their health and well being. The current trend of reducing number of people gaining driving licenses will place pressure to provide alternate mode	enable connection into adjacent Authority areas to provide accessibility across the whole Tees Valley Ensure that new developments are designed in such a	3, 4, 5, 6	1, 2, 7, 8, 14, 16		1, 2, 3, 4,	LCWIP	https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Cycling- Implementation-Plan.pdf	
4) Transforming our town centre with new buildings that inspire5) We will develop Middlehaven as a residential, leisure and commercial centre of national significance6) Provide targeted interventions and measures to assist mode shift and allow highway users to make informed travel choices			accessibility; such as cycling.	way to integrate within the adjacent transport network and deliver the appropriate infrastructure to provide wider strategic links or fill missing links in facilities through financial contributions and/or physical measures			3, 4	5, 6	Transport Network Management Plan	https://middlesbrough.gov.uk/sites/default/files/Highways-Traffic_Network_ Management_Plan.pdf	
5) Building more town centre homes and protecting our green spaces 6) Our business base will continue to grow, with new commercial workspace and country of the inner the				Work with TVCA on the LCWIP programme to develop ambitious infrastructure proposals Continue to deliver child road safety initiatives in schools,	3, 6	2, 7, 8, 14, 16	3, 4	1, 2, 3, 4, 5, 6 1, 2, 3, 4,	PROW map	http://rightsofway.middlesbrough.gov.uk/standardmap.aspx?NavigationPage=Page1	
6) Making Middlesbrough look and feel amazing 7) We will build new homes to meet the needs and ambitions of a growing 8) Increase in number of businesses registered in Middlesbrough				such as Bikeability training Work with TVCA to promote cycling as a mode of transport; encouraging modal shift and behavioural change	3	8,9	3, 4	5, 6	Definitive Map and Statement	https://middlesbrough.gov.uk/parking-roads-and-footpaths/travel-and-getting-around/ walking-and-public-rights-way/definitive-map-and-statement	
population, and ensure that the right infrastructure is in place to support this, creating balanced, sustainable communities where people				Providing high quality facilities at key destinations and Superstops to ensure full integration with other modes of travel	3, 6	2, 7, 8, 14, 16	1, 2, 3, 4	1, 2, 3, 4, 5, 6	Middlesbrough Sustainable Travel Strategy (home to school?)	https://middlesbrough.gov.uk/sites/default/files/Middlesbrough%20Sustainable%20 Travel%20Strategy.pdf	
Business 8) We will make Middlesbrough greener – protecting our				Work with Middlesbrough Environment City to continue to provide and expand the services provided by Middlesbrough Cycle Centre	3	2, 8, 14	1, 2, 3, 4		LCWIP, Integrated transport strategy	https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Cycling- Implementation-Plan.pdf	
existing public spaces, creating new spaces, and planting 10,000 new trees	Bus	Higher bus patronage	Bus travel provides a viable transport option for medium to longer journeys.	https://menvcity.org.uk/projects/?cat=cycle-centre Support the development of the new Bus Partnership Agreement; which will improve the service and accessibility of the bus network	3	8	1, 2, 3, 4	1, 2, 3, 4, 5, 6			
7) Winning investment and creating jobs Social regeneration 8) Introducing a new era of 9) We will strengthen			It is more affordable and accessible than private cars, providing an option for accessing jobs and services. It is a low emission form of transport, and helps to reduce congestion, and improve traffic flows by removing the need for more single occupancy vehicles.		3, 4, 5, 6	1, 2, 7, 8, 14, 16	1, 2, 3, 4	1, 2, 3, 4, 5, 6	Integrated Transport Strategy	http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/images/att1015383.pdf	
Council transparency and openness Middlesbrough's economy, openness creating new jobs through our Investment Prospectus, and increasing our spending with local businesses			(stats about how many vehicles/space could be removed by 1 bus?). This increases the ability to access jobs and services, and can be easily integrated with other modes of travel such as rail and	wider strategic links or fill missing links in facilities through financial contributions and/or physical measures	3	8, 16	1, 2,	1, 2, 3, 4,		https://widdlochrough.gov.uk/cites/dofgult/files/Highways_Traffic_Notwork	
 P) Creating positive perceptions of our town on a national basis 10) We will increase educational and vocational attainment for local children and adults, 			walking to achieve door to door journeys. The current trend of reducing number of people gaining driving licenses will place pressure to provide alternate mode accessibility; such as buses	East/West axis and new orbital route(s) which will provide bus priority measures and enable connection into adjacent Authority areas to provide accessibility across the whole Tees Valley	-			5, 6	Transport Network Management Plan	https://middlesbrough.gov.uk/sites/default/files/Highways-Traffic_Network_ Management_Plan.pdf	
creating a workforce that meets the need of current and future employers				Provision of Superstops serving Local Centres and destinations including Middlesbrough Railway Station, Middlehaven, Teesside University, James Cook University Hospital and The Parkway Centre along the strategic	3, 4	2, 8, 16	1, 2, 3, 4	1, 2, 3, 4, 5, 6	ENCTS (hus page)	http://search3.openobjects.com/kh5/middleshrough/fsd/service.page2id=6ut6aMHv5Eg	
11) We will ensure that all adults and children and young people feel safer, working with our partners to reduce crime, anti-social				Hospital and The Parkway Centre along the strategic corridors Provision of a high quality Public Transport Interchange in the heart of the city centre through TMIV proposals	3, 4	2, 8, 16	1, 2, 3, 4	1, 2, 3, 4, 5, 6	ENCTS (bus pass)	http://search3.openobjects.com/kb5/middlesbrough/fsd/service.page?id=6ut6qMHy5Eg	
behaviour and drug dealing by establishing a stronger and more visible presence in the town centre and in local communities and imposing taugher pendities on				Work to extend the Demand Responsive Transport to include Middlesbrough	3	8, 16		1, 2, 3, 4,	Middlesbrough Sustainable Travel Strategy (home to school?)	https://middlesbrough.gov.uk/sites/default/files/Middlesbrough%20Sustainable%20 Travel%20Strategy.pdf	
tougher penalties on persistent offenders 12) We will continue to promote				Through the Bus Partnership develop a fares structure to support regular commuting by bus	3	8, 16	3, 4				
the welfare of our children, young people and vulnerable adults and protect them from harm, abuse and neglect				Facilitate and promote smart ticketing across different modes of public transport in the Tees Valley and beyond, thus contributing to the high-level goal of the TVCA to provide a seamless. integrated travelling experience for the public	3	8	1, 2, 3, 4	1, 2, 3, 4, 5, 6	ULEV strategy	TVCA leading	
13) We will transform children's services to allow more families to stay together where it is safe for them to do				Provide bus priority measures to support travel by bus and reduce single occupancy car travel	3	8, 16	1, 2, 3, 4	1, 2, 3, 4, 5, 6			
so, and reduce the need for children to be looked after by us				Continue to support Middlesbrough Punctuality Improvement Partnership	3	8	3, 4		Tees Valley bus strategy	https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Bus-Implementation- Plan.pdf	
14) We will work with communities to improve local health and wellbeing, focusing in particular on tackling obesity, poor mental	Train	Higher train patronage	Rail transport provides and accessible and cost effective	Promotion of services to improve modal shift and behaviour change Continue to work in partnership with Train Operating	3	8 3, 8, 16	3, 4	1, 2, 3, 4,			
15) We will join up health and social care, working			mode of travel for medium to longer journeys. Using its own infrastructure, usage provides relief to the highway network, whilst also being a low emission mode of transport. This increases the ability to access jobs and services, and can	Companies and Community Rail Partnership to promote rail travel	3, 4, 5, 6	1, 2, 7, 8, 14, 16	3, 4	5, 6 1, 2, 3, 4,	Integrated Transport Strategy	http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/images/att1015383.pdf	
with partners to reduce admissions to hospital and improve support and care once people are discharged from hospital			be easily integrated with other modes of travel such as bus, cycle and walking to achieve door to door journeys. The current trend of reducing number of people gaining driving licenses will place pressure to provide alternate mode	way to integrate within the adjacent transport network and deliver the appropriate infrastructure to provide wider strategic links or fill missing links in facilities through financial contributions and/or physical measures			3,4	5,6			
16) We will work closely with local communities to make sure that our roads, streets			accessibility; such as rail travel.	Deliver Middlesbrough Station master plan, including heritage quarter improvements Deliver direct London services from Middlesbrough	3, 4, 6	2, 3, 8, 16 3, 8, 16	3, 4	1, 2, 3, 4, 5, 6 1, 2, 3, 4,	Transport Network Management Plan	https://middlesbrough.gov.uk/sites/default/files/Highways-Traffic_Network_ Management_Plan.pdf	
and open spaces are well- designed, clean and safe, and introduce community street- cleaning and improvement activities				Work with operators to improve frequency of local trains	3	3, 8,	3, 4	5, 6 1, 2, 3, 4,			
17) We will work with local communities to redevelop Middlesbrough's				Improvements to non-car accessibility to Middlesbrough Railway Station to allow it to become a key entry point to the wider multi-modal transport network serving	3	3, 8,		1, 2, 3, 4,		https://middlesbrough.gov.uk/sites/default/files/Middlesbrough%20Sustainable%20	
disadvantaged estates, and introduce locality working with our partners, placing services at the heart of communities.				Middlesbrough and the Tees Valley Promotion of services to improve modal shift and behaviour change	3	8	1, 2, 3, 4	1, 2, 3, 4, 5, 6	Middlesbrough Sustainable Travel Strategy (home to school?)	Travel%20Strategy.pdf	
Business imperatives				Facilitate and promote smart ticketing across different modes of public transport in the Tees Valley and beyond, thus contributing to the high-level goal of the TVCA to	3	8	1, 2, 3, 4	1, 2, 3, 4, 5, 6			
18) Achieving greater value for money when buying services and managing our contracts				provide a seamless integrated travelling experience for the public Work with RCBC and TVCA to secure funding to deliver a new park and ride station in Nunthorpe	3	3, 8, 16	1, 2, 3, 4	1, 2, 3, 4,	Tees Valley Rail strategy	https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Rail-Implementation- Plan.pdf	
19) Improving the financial performance of services we charge for, and looking for new income from a range of commercial activities	Freight / Goods	Minmising congestion and maintaining traffic flow on the highway network, whilst	The flow of goods is imperitive to a successful economy; particularly when there is a major port within close proximity of Middlesbrough.	Continue to develop New Tees Crossing business case	7	2, 16		1, 2, 3, 4, 5	Integrated Transport Strategy	http://domocracy.middlesbrough.gov.uk/aksmiddlesbrough/images/att1015282.pdf	
20) Looking at new ways of delivering services, working with local communities and		increasing the volume of goods transported	Ensuring that goods can be transported ensures that the local economy can thrive, and therefore increase the economic opportunities for the area, including increasing the number of jobs and the value of those opportunities.	Work with Highways England to identify improvement schemes to improve the efficiency of the SRN around Middlesbrough with benefits to local roads (increasing capacity on A66)		2, 16	1, 2, 3, 4	1, 2, 3, 4	integrated iransport strategy	http://democracy.middlesbrough.gov.uk/aksmiddlesbrough/images/att1015383.pdf	
21) Making it easier to access our services online and by			Making improvements to the efficiency of the transportation of goods reduces the environmental impact, whilst also helping to minimise congestion, and maintain traffic flow.	Identify funding streams to deliver improvements on the A66 under MBC control	7	2, 16	1, 2, 3, 4	1, 2, 3, 4	ULEV strategy	TVCA leading	
22) We will make sure that				Invest in the highway network to improve safety, journey time reliability and traffic flow improvements	3	2, 16	3, 4	1, 2, 3, 4	Tees Valley freight strategy	https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Freight- Implementation-Plan.pdf	
our business management practices, including how we manage finance, performance, projects, risks and assets, compare with				Work with TVCA to develop gauge clearance on rail network Develop UTMC across the region to improve	3,7	3, 8, 16 8, 16	3, 4	1, 2, 3, 4 1, 2, 3, 4		Implementation-Plan.pai	
those of the best-performing councils, and achieve good outcomes for our communities				communications with highway users Improve the offer to support ULEV vehicles	3	8, 16	3, 4 1, 2, 3, 4	4	Tees Valley road strategy	https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Rail-Implementation- Plan.pdf	
23) We will be more open, transparent and engaged, giving communities a real say in our plans, and how services are developed and delivered	Private car	Minimise congestion and manage traffic flow on the highway network	Although a trend of fewer people in the UK are gaining driving licenses, in Middlesbrough, the private car is the "go-to" mode of transport for the majority of the population (70% of people travel to work via this mode).	Continue to develop New Tees Crossing business case	7	2,16	1, 2, 3, 4	1, 2, 3, 4,	ULEV strategy	TVCA leading	
24) We will become recognised as a good employer, with employees who are happy			Although efforts are being made to reduce the reliance upon this mode of transport to assist in reducing congestion, improving traffic flow, improving public health and improving the local environment, the car still plays a role in	Invest in the highway network to improve safety, journey time reliability and traffic flow improvements Work with Highways England to identify improvement	3	2, 16	3, 4	1, 2, 3, 4			
in their jobs, demonstrate our values, and deliver our priorities			transportation and the prosperity of the local economy. Making improvements to the quality of the highway network will manage traffic flows within this finite resource. This is neccesary to deliver the economic and social ambitions of the authority.	schemes to improve the efficiency of the Strategic Road Network around Middlesbrough with benefits to local roads (increasing capacity on A66)			3, 4		Middlesbrough Parking Strategy - Aug 2009 and 2015	https://middlesbrough.gov.uk/sites/default/files/Parking%20Strategy%202009%202014. pdf https://www.middlesbrough.gov.uk/sites/default/files/Parking-strategy-2015-2020. pdf	
			Encouraging people to car share will reduce the number of vehicles being used on the network, which will assist in managing traffic flow and minimising congestion. Ultra Low Emission Vehicles (ULEV) provides the opportunity	Identify funding streams to deliver improvements on the A66 under MBC control Continue to promote and encourage car sharing via car	7 3	2,16	3, 4 1, 2,	1, 2, 3, 4 1, 2, 3, 4, 5			
			to assist in reducing emissions and subsequently improving the local environment; improving infrastructure to support this growing sector will allow the benefits to be realised.	share clubs Review and update Parking Strategy	3	2	3, 4 1, 2, 3, 4	2, 3, 4	Transport Network Management Plan	https://middlesbrough.gov.uk/sites/default/files/Highways-Traffic_Network_ Management_Plan.pdf	
				Speed management schemes	3	8, 16	1, 2, 3, 4	1, 2, 3, 4			
				South Middlesbrough Highway Improvements Corridor improvements	3	7, 16 7, 8, 16	3, 4	1, 2, 3, 4	Parking Data including Annual Reports 13-19	https://www.middlesbrough.gov.uk/open-data-foi-and-have-your-say/open-data-and- policies/parking-data	
				Corridor improvements Individual junction Improvements	3	7, 8, 16	3, 4	1, 2, 3, 4 1, 2, 3, 4,	Dft TMA 2004 Operational Guidance to LA 's Parking Policy & Enforcement March 2015	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/ attachment_data/file/695793/operational-aujdance.pdf	
				Develop UTMC across the region to improve communications with highway users	3	8, 16		1, 2, 3, 4,		attachment_data/file/695793/operational-guidance.pdf	
				Improvements to car parking facilities	6	2, 8, 16	3, 4		Tees Valley road strategy	https://teesvalley-ca.gov.uk/wp-content/uploads/2019/08/Draft-Rail-Implementation- Plan.pdf	
	Maintenance	° ,	Ensuring that the highway network is maintained to ensure safety of all users. This includes surfacing, lighting, drainage	Improve the offer to support ULEV vehicles Carriageway maintenance	6	8, 16 16		4 1, 2, 3, 4,	Transport Asset Management Plan	https://middlesbrough.gov.uk/sites/default/files/Highways-Transport_Asset_ Management_Plan_2007.pdf	
		network to the highest possible standards	safety of all users. This includes surfacing, lighting, drainage and structural maintenance. The highway network is often taken for granted. It is typically only when it is not fit for purpose, or fails that it is recognised as being a problem.	Footpath and verge maintnenance	6	14, 16	3, 4	1, 2, 3, 4, 5	Transport Network Management Plan Winter maintenance policy	https://middlesbrough.gov.uk/sites/default/files/Highways-Traffic_Network_ Management_Plan.pdf https://www.middlesbrough.gov.uk/sites/default/files/Winter-maintenance- plan-2019-20.pdf	
			Maintenance is therefore an imperative element to ensuring that the highway network functions effectively.	Street lighting provision	3,6	16	3, 4	1, 2, 4, 5	Highway Infrastructure Maintenance Plan Highway Maintenance Specification	https://middlesbrough.gov.uk/sites/default/files/Highways-Highway-infrastructure- maintenance-plan-Sept18.pdf https://middlesbrough.gov.uk/sites/default/files/Highways-Highway_Maintenance_ Specification.pdf https://middlesbrough.gov.uk/sites/default/files/Highways-Highway_Network	
				Structures and bridge maintenance assessments	6	16	1, 2, 3, 4		Highway Network Management Plan 4 year highway maintenance plan	https://middlesbrough.gov.uk/sites/default/files/Highways-Highway_Network_ Management_Plan.pdf https://www.middlesbrough.gov.uk/sites/default/files/4%20Year%20Highway%20 Maintenance%20Plan%202018.pdf https://middlesbrough.gov.uk/sites/default/files/Tees-Valley-sustainable-drainage-	
				Condition surveys		16	1, 2, 3, 4		Sustainable Drainage (Tees Valley) Local Flood Risk management strategy	https://middlesbrough.gov.uk/sites/default/files/Tees-Valley-sustainable-drainage- Sept_2017.pdf https://middlesbrough.gov.uk/sites/default/files/Middlesbrough%20LFRMS%20Sept%20 16.pdf https://middlesbrough.gov.uk/sites/default/files/Highways-Cross_Boundary_	
				Winter maintenance schedules		16	1, 2, 3, 4	1, 2, 3	Cross boundary agreement Middlesbrough/Redcar Transport Asset Management Plan Part 1 - Draft Dec 2015 (An Introduction to Highway Asset Management) Transport Asset Management Plan Part 2 - Draft Oct 2015	Agreement_2012.pdf https://middlesbrough.gov.uk/sites/default/files/Highways-Transport_Asset_ Management_Plan_pt1.pdf https://middlesbrough.gov.uk/sites/default/files/Highways-Transport_Asset_	
				Traffic signal maintenance Streetworks		16	1, 2, 3, 4 1, 2,		(Planning Highway Maintenance Efficiencies) Highway Asset Management Communication Plan – Jan 2016	Management_Plan_pt2.pdf https://middlesbrough.gov.uk/sites/default/files/Highway_Asset_Management_ Communication_Plan_Jan2016.pdf https://www.middlesbrough.gov.uk/sites/default/files/Highway-Safety-Inspection-	
				Streetworks Reactive maintenance policy		16	3, 4	1, 2, 3	Highway Maintenance Plan – Aug 2006 Highway Safety Inspection Manual – 2007 Management of electronic traffic equipment	Manual-Oct18.pdf http://www.ukroadsliaisongroup.org/en/utilities/document-summary. cfm?docid=B089A94C-6174-4584-A3E12AC2C7CB3706 http://www.ukroadsliaisongroup.org/en/utilities/document-summary.	
	Behaviour change	Enabling people to think about their travel options	Continuing to develop the highway network to facilitate private car use in Middlesbrough is un-sustainable. The majority of the Borough is developed, and increasing	Provision and promotion of sustainable travel options	3	8, 14		1, 2, 3, 4, 5, 6		cfm?docid=B089A94C-6174-4584-A3E12AC2C7CB3706	
			the number and width of roads is either impractical without demolitioning buildings/eating in to public space, or impacting upon local residents. Secondly, by making improvements to the local highway	Deliver Personalised Travel Planning in a range of settings including job centres and colleges	3	8, 14	1, 2, 3, 4	1, 2, 3, 4, 5, 6	Access For All	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/ attachment_data/file/7776/156681.pdf	
			network this induces the demand placed upon the infrastructure; reducing journey times and congestion encourages further uptake by more people. In order to combat this, the Council will work to develop alternate modes to the private car, which will assist in	To implement a travel behaviour change programme for short trips, travel to work and the journey to school	3	8, 14	1, 2, 3, 4	1, 2, 3, 4, 5, 6			
			encouraging residents to achieve modal shift. This will be undertaken through a programme of Promotion, Education and Training, alongside the physical measures that have been identified within this document.	Engaging schools to encourage changed behaviour in the next generation	3	8, 14	3, 4		ІТТ	https://www.middlesbrough.gov.uk/sites/default/files/Independent_Travel_Information_ for_Parents.pdf	
		Epozetica	The Council will also work with partnering organisations to improve the range and accessibility of alternate modes of travel, and promote accordingly.	Promotion and marketing of sustainable modes through Let's Go Tees Valley	5	8, 14	3, 4		Traffic Network Management Plan – Jan 2009	https://middlesbrough.gov.uk/sites/default/files/Highways-Traffic_Network_	
	Accessibility Policy /	perceived barrier	Working within the guidelines of Access For All to ensure that infrastructure complies with legislation, and that we develop a fit for purpose network.		6	2, 7, 14, 16	3, 4	1, 5 1, 5	Traffic Network Management Plan – Jan 2009 Safety at Streetworks & Road Works - A Code Of Practice - Redbook - October 2013 HAUC (UK) - New Roads & Street Works Act 1991 - Full Code of Practice for Co- ordination of Street Works	https://maalsbiologin.gov.ok/acce/acce/acce/inco/mg/mays hanc_retwork_ Management_Plan.pdf https://assets.publishing.service.gov.uk/government/uploads/system/uploads/ attachment_data/file/321056/safety-at-streetworks.pdf https://assets.publishing.service.gov.uk/government/uploads/system/uploads/ attachment_data/file/43578/street-works-code-of-practice.pdf	
	Policy / corporate	Setting policies which support travel options for the benefit of the population	In order to develop the ambitions within this strategy, policy implementations are required. This will ensure that the Council has procedures in place to maximise the opportunities presented, and a clear direction to achieve the desired objectives.	Secure Section 106/Capital receipt funding from developments to provide infrastructure to minimise impact on transport network Adopt travel plans to all new developments	u, /	7 2,7,8	1, 2, 3, 4 1, 2,	1, 2, 3, 4,	Traffic Management Act 2004 Traffic Regulation Orders; Traffic Regulation Act 1984	attachment_data/file/43578/street-works-code-of-practice.pdf http://www.legislation.gov.uk/ukpga/2004/18/contents https://researchbriefings.files.parliament.uk/documents/SN06013/SN06013.pdf https://middlesbrough.gov.uk/sites/default/files/Design-guide-and-specification-Aug18.	
			This will also ensure that the Council is in a position react if challenged as a policy will have been established. This is not to suggest that policies will remain static, but can be altered to suit changes to objectives, outcomes and opportunities.	Through the Bus Partnership develop a fares structure to	3	8	3, 4	5, 6 1, 2, 3, 4,	Tees Valley Design Guide and Specification Highways England Design Manual for Roads and Bridges Highways England Specification for Highways Works	https://middlesbrough.gov.uk/sites/default/files/Design-guide-and-specification-Aug18. pdf http://www.standardsforhighways.co.uk/ha/standards/dmrb/ http://www.standardsforhighways.co.uk/ha/standards/mchw/vol1/	
				support regular commuting by bus Increased number of appropriate electric vehicle charging points	3	8	3, 4 1, 2, 3, 4		LTP3 Air Quality monitoring Investment prospectus	https://middlesbrough.gov.uk/sites/default/files/LTP_2011-16.pdf https://www.middlesbrough.gov.uk/sites/default/files/Middlesbrough%20Borough%20 Council%20- %20%20Air%20Quality%20Annual%20Status%20Report%202019.pdf https://www.middlesbrough.gov.uk/sites/default/files/Middlesbrough-Investment-	
				End of journey deliveries by alternative modes of transport (cargo bikes / electric vehicles)	3	8	3, 4		Mayors Vision 2025 SEP Exec summary	Prospectus_final-proof-March-2017_0.pdf https://middlesbrough.gov.uk/sites/default/files/Vision%20for%20Middlesbrough%20 2025.pdf https://teesvalley-ca.gov.uk/wp-content/uploads/2016/12/SEP-Exec-Summary.pdf https://www.middlesbrough.gov.uk/sites/default/files/Strategic%20Plan%202020-2023.	
	Funding		The Council receives funding from a number of different	Review design and construction standards for planning, maintenance and construction	6 The Funding allows	8 the delivery of the various ir	1, 2, 3, 4 iitiatives requ	quired to	Strategic Plan (Chief Executive) Housing Local Plan	https://www.middlesbrough.gov.uk/sites/default/files/Strategic%20Plan%202020-2023. pdf https://www.middlesbrough.gov.uk/sites/default/files/PlanPol-Housing_Local_Plan.pdf	
	. <i></i>		sources in order to deliver the required projects and schemes outlined above. Capital money is provided for delivering infrastructure improvements, where as revenue funding pays for resources,	Council capital	The Funding allows t deliver the outcome essential to achievin	s. Therefore, this is a cross-c	utting them	ne, and			
			and covers behaviour change projects etc. The Council receives LTP funding annually from the DfT. All other funding is based on agreements or successful applications/bids as part of competitive process.	S106 Capital receipt					LTP3	https://middlesbrough.gov.uk/sites/default/files/LTP_2011-16.pdf	
			The Council will continue to seek additional sources of funding that will allow the objectives within the LIP to be achieved in the shortest possible timeframe.	Access funding Members small scheme							
				Local growth funding Pinchpoint					Transport and Infrastructure Capital Funding Allocation report (2018-21) (this outlines the available funding, and where it is proposed to be expended. A programme for future years will be developed in 2020/21)		
				National Productivity Investment funding							
				Transforming Cities funding							

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Impact Assessment Level 1: Initial screening assessment

	Subject of assessment: Middlesbrough Council Local Implementation Plan								
	Coverage:	The Local Implementation Plan (LIP) covers strategy for transport across the whole of Middlesbrough Councils Borough.							
_		Strategy	Policy	Service	Function				
	This is a decision relating to:	Process/procedure	Programme	Project	Review				
		Organisational change	Other (please state)						
	It is a:	New approach:		Revision of an existing approach:					
	It is driven by:	Legislation:		Local or corporate requirements:		\square			
		Key aims, objectives and activities							
Page 179	Description:	is fit for the future, paying particular a document to the Tees Valley Combine guidance. This covers all modes of tra- stakeholders, behaviour change work <u>Statutory drivers (set out exact refere</u> Middlesbrough Council is required to Combined Authority arrangements. <u>Differences from any previous approa</u> The LIP is a direct replacement for the LTP. <u>Key stakeholders and intended benefic</u> Residents, Businesses, Politicians, Cou Intended outcomes. To set out how Middlesbrough Council	erences from any previous approach LIP is a direct replacement for the previously produced LTP. The LIP covers all subjects and topics that were previously contained within the stakeholders and intended beneficiaries (internal and external as appropriate) dents, Businesses, Politicians, Council Officers, TVCA, Public Transport operators, Highways England and visitors to the area.						
	Live date:	2021							
	Lifespan:	This will be a live document, updated annually. The strategy will remain active until a review identifies a change in direction.							

Date of next review:	The document will be reviewed every 3 years

	Screening questions		Response		Evidence	
			Yes	Uncertain		
	Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*				The strategy document aims to improve access to transport for all residents. This will assist in improving accessibility to education, employment, training, retail and leisure facilities by making reasonable adjustments to services provided to new proposals, and retrofitting existing infrastructure, and therefore not impact negatively upon human rights.	
Page 181	Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*				 Evidence used to inform this assessment includes analysis of the Human Rights Act 1998. The Public Sector Equality Duty (PSED) requires that when exercising its functions the Councils must have due regard to the need to:- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty: removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and; encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. 	
					The strategy aims to improve transport access to all residents. The Council is bound by legislation, which includes ensuring that those with physical and learning disabilities, and inhibited mobility are not detrimentally impacted upon. Therefore, there are no concerns that this will impact adversely upon equality. Evidence used to inform this assessment includes analysis of statutory guidance in relation to accessibility, including the Access for All legislation	

^{*} Consult the Impact Assessment further guidance appendix for details on the issues covered by each of theses broad questions prior to completion.

Screening questions	Response		Evidence
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*			Although some of the proposals within this strategy could divide opinion, there is no evidence to suggest that this will impact negatively upon relationships between different community groups. The Council has a duty to consult proposals with the community, and will do so in order to gauge community opinions prior to commencing with proposals derived from this strategy. It is therefore not considered that this will have a negative impact upon community cohesion. This strategy will help to maintain sustainable access routes to communities and safe road networks. The Council proposes to undertake consultation with the community prior to adopting this strategy, which will identify any potential issues that will need to be addressed.
Next steps:			

➡ If the answer to all of the above screening questions is No then the process is completed.

I If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.

Pa	Assessment completed by:	Chris Orr	Head of Service:	Sam Gilmore
ge	Date:		Date:	
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MIDDLESBROUGH COUNCIL



Report of:	Director for Adult Social Care and Health Integration - Erik Scollay Executive Member for Regeneration - Councillor Ashley Waters				
Submitted to:	Executive - 16 February 2021				
Subject:	Re-designation of North Ormesby Selective Landlord Licensing - Consultation Responses and Approval to Proceed with the Re- designation				

Summary

Proposed decision(s)
That Executive consider the results of the consultation and the statutory tests referred to in
this report and approve the re-designation of Selective Landlord Licensing for the proposed
area of North Ormesby (Appendix A)

Report for:	Key decision:	Confidential:	Is the report urgent? ¹
Decision	Yes	No	No

Contribution to delivery of the 2020-23 Strategic Plan					
People	Place	Business			
The scheme will provide an opportunity to improve both the living and environmental conditions as well as making the community safer for residents in North Ormesby and improving the wider determinants of health.	improving housing and environmental standards and encouraging investment	significant contribution to, building confidence in the			

Ward(s) affected

North Ormesby ward (see Appendix A, proposed map). Ward members have been consulted and are all supportive of the scheme.

¹ Remove for non-Executive reports

What is the purpose of this report?

 An Executive decision was made on 1st September 2020 to commence consultation on the re-designation of a Selective Landlord Licensing Scheme in the North Ormesby Ward. The report set out the rationale for commencing consultation and provided full details on how this consultation would be undertaken. The purpose of this report is to present and consider the outcome of the ten week public consultation and to recommend that the area of North Ormesby shown in Appendix A is re-designated for Selective Landlord Licensing.

Why does this report require a Member decision?

2. Executive approval is required as this scheme is delivered via a legislative framework that requires organisational approval prior to implementation.

Report Background

- 3. The Housing Act 2004, gives local authorities powers to introduce Selective Landlord Licensing (over a five year period) for privately rented properties in areas experiencing low housing demand and/or significant and persistent anti-social behaviour. The purpose of such a scheme is to improve standards of property management in the private rented sector, reduce anti-social behaviour and when combined with other measures such as tenancy and landlord support, should lead to improved physical, social and economic conditions.
- 4. Under the Housing Act 2004, Part 3 (Selective Licensing of other Residential Accommodation), all private landlords operating within the designated area are required to obtain a licence from the Council for each rented property. The conditions of the licence ensure that the property is managed effectively, and licence holders have to demonstrate their compliance.
- 5. On the 9th December 2014 Executive approved a report setting out proposals for introducing Selective Landlord Licensing in Middlesbrough and a further report to Executive on 14th July 2015 saw the implementation of the scheme in North Ormesby on 1st January 2016 for a period of five years. The area of North Ormesby was designated as a Selective Landlord Licensing area as it was identified as an area with a high proportion of private rented properties which was suffering problems attributable to:
 - Low housing demand
 - A significant and persistent problem caused by anti-social behaviour related to tenants of or visitors to rented properties which were not being controlled by landlords;
- 6. On 1 April 2015, a new General Approval came into force for selective landlord licensing schemes. Under these new arrangements if a local housing authority makes a designation that covers 20% or less of its geographical area or privately rented properties, the scheme does not need to be submitted to the Secretary of State for approval, provided that the authority has consulted for at least 10 weeks on the proposed designation.

- 7. In addition, in 2015 the government widened the criteria for designating Selective licensing schemes to include poor housing conditions and high levels of deprivation, crime and migration. The improvement of management standards in the private rented sector would help to combat housing problems associated with deprivation.
- 8. An Evaluation of the North Ormesby Selective Landlord Licensing Scheme was undertaken using the Guidance from Local Government Regulation. (Appendix B) This evaluation identified the effectiveness of Selective Licensing in:
 - reducing anti-social behaviour attributable to the private rented sector;
 - improving management standards in the private rented sector;
 - increasing housing demand;
 - improving the environment; and
 - contributing to the effectiveness of partnership working to improve the quality of life.
- 9. The evaluation also identified that the Selective Landlord Licensing work with landlords is integral to the success of the scheme, supporting them in the following ways:
 - Free empty property advertising;
 - Dedicated Neighbourhood Safety Officer;
 - Dedicated tenancy relations officer;
 - Housing and tenancy support/advice;
 - Rent recovery in excess of £5,000;
 - Referencing;
 - Post tenancy visits for new and existing tenancies.

There has been a relatively low number of legal cases taken against landlords for failing to licence their properties, four resulted in court hearings and 8 landlords applied for their licences after receiving their court summons.

10. It was also recognised that the strong community infrastructure in the area has played a significant role in delivering the outcomes i.e. North Ormesby benefits from a number of community organisations working together with local schools, businesses, and key partners and this has been supported by significant financial investment from national charitable organisations. The intensive approach to delivering services in North Ormesby from a number of agencies and partners is considered one of the key factor in its success.

Re-designation

- 11. Re-designation of the North Ormesby area is recommended on the same bases as stated for the previous designation in 2015/16;
 - low housing demand
 - a significant and persistent problem caused by anti-social behaviour

In order to designate, Executive must be satisfied that the conditions are met in relation to at least one of these recommended bases for designation, even if the Executive is not satisfied that the conditions in relation to the other have been established.

Low Housing Demand

12. To demonstrate that the North Ormesby area is an area of low housing demand Executive should consider the following:

(a) residential property values compared with values for similar properties in comparable areas,

(b) the turnover of occupiers of residential properties and

(c) the number of vacant residential properties available to rent or buy and the amount of time that they remain unoccupied

- 13. Executive should also consider how the designation, when combined with other measures taken in the area by the authority, or by others persons, contribute to the improvement of the social or economic conditions in the area.
- 14. The evidence for consideration by Executive to demonstrate low housing demand in the North Ormesby are is provided below:

Property values

- 15. Prior to the current scheme average sale prices in North Ormesby were £48,000 and amongst the lowest in the town. Comparable wards such as Gresham, show property values of a similar price £47,400 together with the average price in other town centre wards such as 64,000 in Middlehaven (64,000) and University (£98,000). The average house price for Middlesbrough was £124,000). A number of factors affected the value of properties including the disproportionate levels of private rented properties when compared with other parts of the town, high levels of crime, anti-social behavior and deprivation, and empty properties. The older terraced properties were no longer the first time buyers 'house of choice' as they had been in previous generations.
- 16. At the time of the initial designation, evidence was obtained from local estate agents websites which provided information about the price of properties, location and length of time on the market. Their responses are summarised below.
 - Prices ranged from £25k-£30k up to £55k dependent on the particular location. Those purchasing properties in North Ormesby tended to be investors looking to buy to rent. Properties could be well kept/decorated to a good standard but the location was the issue and limited the selling price. Sales could take from three to eight months.
 - Prices were dropping and interest was from investors only, not first or second time buyers. Two bedroom properties were selling for £25k to £40k, with three bedroom properties selling for £30k to £50k. Prices halved in the previous three to four years. There had been a rise in repossessions, or simply moving out of the area.
 - Sale price was very much dependent on the location within North Ormesby. Properties around the Beaumont Road area were the ones that sold for very low prices with investor interest and selling for around £22k-£25k.
- 17. During the current scheme in North Ormesby land registry records have shown the following data in relation to house prices:
 - 2017 TS3 6 Semi £113,750K (2 sold), Terrace £36,493K (42 sold) Overall average £40,005 (44 sales).
 - 2018 TS3 6 Semi £55,750K (2 sold), Terrace £39,163K (38 sold) Overall average £39,922 (40 sales).
 - 2019 TS3 6 Semi £71,500K (2 sold), Terrace £39,711K (27 sold) Overall average £41,840 (30 sales).

18. In 2020 it was reported that the average price for a terraced property in Middlesbrough was £72943, however in June 2020, the average price for a property in North Ormesby was £45323.

Turnover of properties

- 19. Prior to the introduction of the North Ormesby Selective Landlord Licensing scheme Council Tax records provided a guide as to the proportion of properties experiencing turnover in the North Ormesby area. Of the 1,791 Council Tax accounts in 2013/14 a change occurred in 72.8% of them, requiring a new account to be created, affecting 705 properties (39%). In the preceding year a change requiring a new account to be created occurred on 85.8% of accounts, affecting 870 properties (50%).
- 20. As of 31st December 2019 Council Tax records for North Ormesby provided the following data, of the 1787 Council Tax accounts in 2019/20 a change occurred in 30.72%, of them, requiring a new account to be created, affecting 391 properties (21.88%).

Empty properties

- 21. In September 2014, according to Council Tax records, there were 68 long-term empty properties in North Ormesby, which equates to 3.9% of total stock. North Ormesby had the second highest proportion of long term empties than other areas in Middlesbrough. This position contributed to a negative image causing uncertainty for established residents and making it hard to attract people to the area.
- 22. In the past 5 years the overall number of empty properties has fluctuated throughout the life of the scheme, however there has been a considerable reduction in the number of long term empty properties which are often the more problematic for residents. The situation at the end of December 2019 is that there were 45 long-term empty properties (empty for six months or more.) Further sustained work is needed in the area to reduce the overall numbers of empty properties.

High incidence of private rented properties.

23. Prior to 2016, North Ormesby had a disproportionately high level of private rented properties and very low levels of owner occupation. It consisted of approximately 1,750 properties, of which 38% were privately rented. Approximately 39% were owner-occupied and 18% were social rented. The level of private renting in North Ormesby contrasted markedly with the rest of the town and the national rate of 16.8%.

In the 10 year period between 2001 and 2011, North Ormesby had seen a major change in its tenure mix. Owner occupation decreased by 17.7%, the social rented sector decreased by 16.9%, in contrast the private rented sector increased by 118.2%.

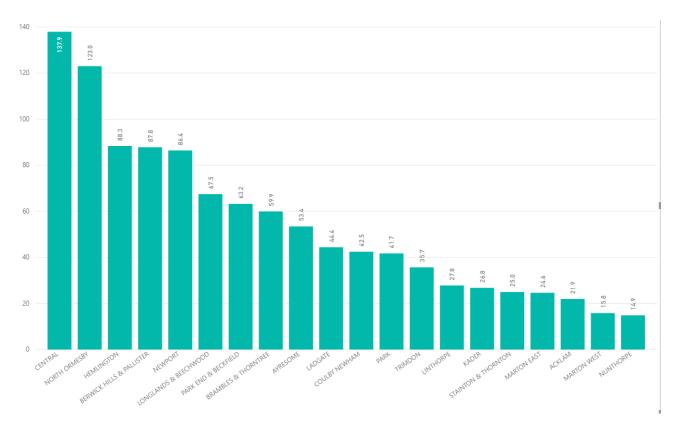
Anti-social behaviour

- 24. To demonstrate that the North Ormesby area is an area affected by anti-social behaviour Executive should consider the following:
 - (i) that the North Ormesby area is experiencing a significant and persistent problem caused by anti-social behaviour;

- (ii) that at least some of the private sector landlords who have let premises in the area are failing to take action to combat the problem that it would be appropriate for them to take; and
- (iii) that making a designation will, when combined with other measures taken in the area by the authority, or by other persons together with the authority, lead to a reduction in, or the elimination of, the problem.

Anti-Social Behaviour

25. Prior to the introduction of Selective Licensing in Middlesbrough between 2011/12 and 2013/14 there was a total of 1,917 complaints of anti-social behaviour received by the Council's Private Housing Enforcement and Anti-Social Behaviour Teams, an increase over that period of 67.9%.



Anti-Social Behaviour 2019

26. Anti-social behaviour levels in North Ormesby remains high - it still has the second highest rate of crime and anti-social behaviour out of all Middlesbrough wards. Anti-social behaviour and crime continue to have a devastating effect on individuals and communities ranging from everyday nuisance, disorder and crime from graffiti and noisy neighbours to harassment and street drug dealing. Anti-social behaviour has a huge impact on victims' quality of life and it is often the public's number one priority when it comes to local concerns.

Interventions to tackle anti-social behavior

- 27. Since the start of the current North Ormesby scheme the Selective Landlord Licensing team have delivered a wide range of intervention to tackle anti-social behaviour:
 - 1249 early interventions have been carried out. These are mainly referrals into other services for support

- 2495 low Interventions. These include telephone call/e-mail, letter drop, diary sheets received, initial warning letters, motorbike warning letter, site meetings and joint patrols.
- 955 medium interventions. These include second warning letters, final warnings, ABC issued, ABC breached, joint interviews and tenancy breach interviews.
- 15 high level interventions. These include Criminal Behaviour Orders, Civil Injunction, House Closures (all for high levels of persistent antisocial behaviour and as a last resort after all low and medium level interventions have been exhausted).
- 154 post tenancy visits have been carried out to provide support to the tenant on a wide range of issues including substance misuse, parenting skills, unemployment;
- 28. The number of environmental antisocial behaviour incidents remain high, the number of incidents with rubbish bins/refuse left in alleyways and reports to the contact centre have considerably reduced.
- 29. The above interventions demonstrate that there are private sector landlords who have rented premises in the North Ormesby area who are failing to take the appropriate action to combat the issues of their tenant's anti-social behaviour.

Crime

- 30. Prior to the introduction of Selective Licensing between October 2013 and September 2014, Cleveland Police dealt with 732 cases of anti-social behaviour in North Ormesby. This was the second highest rate per population in the town. The ward with the highest rate was Middlehaven, which includes town centre related anti-social behaviour e.g. reports of drunk/rowdy behaviour, often handled by Street Wardens.
- 31. Information provided by Cleveland Police show that they have dealt with the following numbers of cases of anti-social behaviour in North Ormesby:
 - 2016/2017 693 cases,
 - 2017/18 571 cases,
 - 2018/19 508 cases, and
 - 2019/20 369 cases

Since the start of the current North Ormesby scheme:

- There has been a reduction in personal antisocial behaviour incidents from 233 in 2015 to 118 IN 2019 (-49%).
 - There has been a reduction in nuisance antisocial behaviour incidents from 337 in 2015 to 301 in 2019 (-11%).

Additional matters to be considered in the designation of the North Ormesby area:

32. In order to designate, Executive must also be satisfied that the making of a Selective Licensing designation is consistent with the authority's overall Housing Strategy. Housing plays a fundamental role in delivering sustainable communities, facilitating social and environmental improvements and promoting economic growth. The Council believes that Selective Landlord Licensing has an important role to play and offers valuable support to existing initiatives to tackle empty homes, prevent homelessness,

create sustainable, high quality neighbourhoods and reduce anti-social behaviour. The proposed designation is consistent with Middlesbrough Council's Housing Strategy.

- 33. In order to designate, Executive must also be satisfied that the authority seeks to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour, both
 - as regards combining Selective Landlord licensing with other courses of action available to them, and
 - as regards combining such licensing with measures taken by other persons.
- 34. The proposed Selective Landlord Licensing designation for North Ormesby is coordinated and consistent with the delivery of the following Council policies and strategies:

Middlesbrough Council Strategic Plan (2020-23)

35. The proposal for North Ormesby contributes to the delivery of Plan in terms of:

- Tackling crime and anti-social behaviour
- Securing improvements in Middlesbrough's housing, infrastructure and attractiveness, improving the town's reputation, creating opportunities for local people and improving our finances.
- Working with communities and other public services to improve the lives of our residents.
- Working with communities to improve local health and wellbeing, focusing in particular on tackling obesity, poor mental health and substance misuse.
- Working with local communities to redevelop Middlesbrough's disadvantaged estates, and introduce locality working with our partners, placing services at the heart of communities.

Health and well-being Strategy

36. Housing has an important impact on health and well-being: good quality appropriate housing in places where people want to live have a positive influence on reducing deprivation and health inequalities by facilitating stable/secure family lives. This in turn helps to improve social, environmental, personal and economic well-being. Conversely, living in housing which is in poor condition, overcrowded or unsuitable will adversely affect the health and well-being of individuals and families. The Selective Landlord Licensing Team will promote multi-agency case intervention strategies where problems are identified.

Private rented sector Regulation

37. Many properties in the sector provide decent accommodation and are well managed by landlords. Selective licensing is a vital tool in driving up standards. It reduces the negative impact on neighbourhoods of poor landlords and encourages greater awareness and a sense of responsibility in landlords and tenants alike.

The Council's Private Sector Housing Enforcement team will continue to employ a wide range of tools to tackle poor property condition, inadequate tenancy management and improve conditions in the private rented sector. These tools include:

• Mandatory HMO Licensing

- Empty Property Enforcement
- Housing Health and Safety Rating System (HHSRS)

By re-designating the area for selective licensing the Council is fully utilising the suite of tools introduced by the Housing Act 2004 to address management standards and property conditions within the private rented sector. As part of a coordinated approach, Selective Licensing compels landlords to maintain good standards and raise the profile of problem properties. Through the increased awareness amongst the community and across agencies, Selective Licensing has become a valuable mechanism for identifying and dealing with bad practice amongst private landlords.

Anti-social behavior

38. Selective Licensing helps to ensure that landlords meet their statutory duties regarding tenancy management and encourages and assists them to deal with issues of antisocial behaviour by taking appropriate and effective action where they receive a complaint about their tenants.

There is a range of other initiatives that are targeted at reducing crime and anti-social behaviour operating across the North Ormesby area and the Selective Licensing team work in close partnership with other services and agencies to maximise the impact and contribute to improved community safety.

The Licensing Team promote multi-agency case intervention strategies where problems are identified, which can include actions for the Police, the Youth Offending Team, ASB, and Housing Enforcement teams. Landlords are offered support and advice to help tackle anti-social behaviour from their tenants.

Prevention of Homelessness Strategy

39. The private rented sector has a central role to play in offering a decent alternative to owner-occupation or social rented housing. The sector makes a significant contribution to meeting the housing needs of vulnerable people and in many cases has prevented homelessness and minimised the use of temporary accommodation.

The Council continues to work in partnership with the private rented sector and Selective Licensing strengthens this partnership by increasing the number of landlords working with the Council with well-managed, good quality accommodation.

- 40.By strengthening the partnership between landlords and the Council, Selective Licensing can continue to contribute to the prevention of homelessness through effective tenancy management that minimises anti-social behaviour, tackles rent payment issues in a timely and constructive manner and offer a housing option for some of the most vulnerable households in need of a home.
- 41. The Localism Act 2011 enabled the use of suitable offers of accommodation in the private rented sector and allowed this sector to be used to discharge the main homelessness duty. Against the backdrop of high demand but a shortage of accessible, affordable social housing, the sector has increasingly become a valuable resource for offering a range of more easily accessible housing solutions for homeless households, but elements of poor management contribute to repeat homelessness. Licensing has the potential to effect long term positive change in the sector and to provide considerable benefits to homeless households.

42. It is anticipated that the Selective Licensing scheme will help achieve a long-term reduction in the culture of 'tenancy hopping', i.e. the practice of households who are frequently homeless due to anti-social behaviour, and who may be aided by rogue landlords to move around the sector, which prevents underlying behavioural issues from being tackled and which blights local communities.

Empty homes

- 43.In Middlesbrough there were 1470 homes empty for six months or more as of 1st October 2018. The Council has already begun to tackle this issue and to date has, amongst other things, secured funding from the Homes and Communities Agency and adopted an Empty Homes Action Plan to bring empties back into use.
- 44. An important part of the strategy to tackle empty homes is actively targeting owners and providing them with information on the incentives available and the reasons why empty properties are a poor financial option. A Rent and Refurb scheme has been introduced. In some cases encouraging owners will not be enough and the Council will need to take strong enforcement action. Selective Licensing has helped strengthen the partnership between landlords and the Council and the benefits Licensing delivers to the area has contributed to tackling problem empty properties in North Ormesby.

The BIG Local and North Ormesby Neighbourhood Action Plan

- 45. The BIG Local is a community structure based in North Ormesby and formed through a £1m Lottery grant. They completed (August 2013) a community survey with over three hundred and fifty residents of the area. The three clear priorities which emerged during that consultation were:
 - problems associated with the private rented sector;
 - anti-social behaviour;
 - street condition.
- 46. The Council concluded there was an urgent need to take strong and immediate action to halt the decline of the area. However, it also recognised that traditional forms of public sector intervention are no longer applicable and there is a need to re-focus interventions around supporting communities to practice greater levels of self-management, by focusing on strengthening those activities and structures which underpin that ability.
- 47. Selective Licensing has an important role to play given the priorities identified by the community and the fact that it responds to the need to develop a more radical partnership response to the problems in the area.

Place Based Working

48. The proposed locality based working approach planned for North Ormesby aims to build on the intensive targeted delivery of services working in partnership and Selective Landlord Licensing would be an integral part of this approach.

Alternative Remedies and why the council considers them insufficient.

49. The Council must not make a Selective Landlord Licensing designation unless they have considered whether there are any other courses of action available to them (of

whatever nature) that might the same outcomes and that the designation will significantly assist them to achieve the objective or objectives.

50. There are other courses of action available that might provide an effective method of achieving the objectives as the Selective Landlord Licensing designation. The following alternative powers and projects that are available to the Council have been considered:

Accreditation

51. Accreditation is a mechanism for helping landlords or agents to meet agreed standards of competence, skills and knowledge about the business of owning, managing or letting a private rented home.

Accreditation is supported nationwide by a wide range of stakeholders, including the Government, landlord associations, local authorities, Shelter, the National Union of Students and the Chartered Institute of Environmental Health. It can aid the supply of good-quality, well-managed homes.

- 52. Accreditation attracts a limited number of landlords, mainly those already providing appropriate management standards and who are motivated to improve the reputation of the private rented sector. Such schemes do not have an intensive impact in any one area, nor do they tackle the worst privately rented properties, as due to the voluntary nature the worst landlords will not engage with the Council or join the scheme.
- 53. Experience shows that it is resource intensive to encourage the poorer landlord to join accreditation and when asked to make improvements due to its voluntary nature many landlords fail to comply showing that accreditation cannot tackle the worst standards of property condition and management practices.
- 54. Traditional interventions do not provide the level of engagement with landlords necessary for the desired improvements. Landlord take up of previous accreditation schemes have 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 is the Stockton Pluss model which is run by landlords. Stockton Council figures show that they had 80 members for this scheme with 539 properties and not all landlords who opposed their SLL scheme joined the accredited scheme.

Enforcement of housing standards

- 55. The Housing Act 2004 introduced the Housing Health and Safety Rating Scheme (HHSRS) which allows local authorities to inspect privately rented properties to ensure the condition of that property does not have an adverse effect on the health, safety or welfare of tenants or visitors to that property. Where necessary the Council will serve statutory enforcement notices to ensure the condition is improved.
- 56. The current service is in the main reactive a complaint will be made and an inspection will determine whether action needs to be taken. Whilst this approach does improve property conditions it does not have a concentrated impact in one area. In addition this power does not tackle property management standards. Through the Selective Licensing designation and associated training advice and support, landlords will recognise what improvements need to be made to their properties reducing the need for action under the HHSRS.
- 57. In addition the Council will continue to undertake proactive property inspections in the

designation area, offering advice and where necessary taking enforcement action to improve property conditions. Improved property conditions will assist in retaining tenants and attracting occupants to the area assisting in tackling low demand.

Management Orders

- 58. The general effect of a Management Order is that the Council takes control of the property, although legal ownership does not transfer from the landlord. There are two forms of Management Order, interim and final. Interim lasts for a period of 12 months which can then be followed by a final Management Order which lasts for a maximum of 5 years.
- 59. Once a Management Order is in place the Council takes over the management of the property. The occupiers pay their rent to the Council and any repair costs such as routine repairs or building insurance are taken from the rent before any surplus is given to the owner (landlord).
- 60. This power only deals with individual properties and is resource intensive. This approach does not present a long term solution to address poor management of privately rented stock as the property is returned to the original owner who may not necessarily have improved their management standards in the interim.
- 61. The Council will use Management Orders in the designation area as a last resort to deal with landlords who fail to comply with selective licensing and improve their management standards.

Private Sector Leasing Scheme

- 62. A Private Sector Leasing Scheme is where the Council takes out a lease, normally 3 to 5 years in duration, from a private owner or landlord on their property. The Council then uses the property to provide affordable accommodation for homeless families.
- 63. There is no guarantee that landlords, especially the irresponsible, will join the scheme and the Council cannot compel them to do so. As with Management Orders the scheme does not address poor management practices as the landlord does not gain experience, advice or training during the lease meaning that once handed back management standards will once again be unsatisfactory.
- 64. A range of issues have been raised with the alternatives to Selective Landlord Licensing and each has its limitations. No single intervention can solve the problems presented in North Ormesby however it is considered that Selective Landlord Licensing, as part of a co-ordinated strategy, linking in with a full range of agencies and services utilising various interventions will significantly assist the authority in achieving its desired objectives.

Proposed Changes to the North Ormesby Selective Licensing Scheme

- 65. There are a small number of proposed minor amendments to strengthen the redesignated scheme which were included in the consultation:
 - To include the costs of an Environmental Health Officer. This post carries out the housing inspections as part of the Selective Landlord Licensing scheme.

Including this post would be consistent with the approach taken in the Newport Selective Landlord Licensing scheme. When the scheme was introduced in 2015 it was not included and has been funded from the Council's revenue budget.

- The mandatory condition of the current scheme on tenancy referencing to be amended to require landlords to specifically use Middlesbrough Council's free referencing service.
- Payment of the Selective Landlord Licensing fee by instalments. This has been requested by some landlords. The fee is paid in two parts and it is proposed that Instalment arrangements could only be applied to the second part of the fee, the initial payment covers the cost of administering the application process. It is proposed that fees could be paid over a term of between 6 and 12 months depending on the number of properties to be licensed. Terms would be applied and to cover the cost of administering the Selective Landlord Licensing fee would be increased by £100 to cover this cost. Any landlord who defaults on payments would not be offered payment by instalments for subsequent licenses.

Proposed licence fee

66. The inclusion of the EHO post in the Selective Landlord Licensing staffing generates additional cost for the North Ormesby Selective Landlord Licensing, which are consistent with the Newport Selective Landlord Licensing scheme and the previous approach that staff work across schemes in later years. It is proposed that the licence fee for the re-designated North Ormesby Selective Landlord Licensing scheme should be £745 per property for a licence lasting a maximum of 5 years, taking into account the expected number of properties which will require a licence. The existing £20 fee for the Fit and Proper Person Check in respect of the proposed licence holder and manager remains unchanged from the current scheme. Penalty fees of £100 would continue to apply for late applications.

Boundary to the NO Selective Landlord Licensing scheme

- 67. The geographical area for the existing Selective Landlord Licensing in North Ormesby is shown in Appendix A and there are no plans to amend the boundary of the scheme. It is 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. The selected area also forms a natural boundary for the scheme which would counter any displacement issues in relation to anti-social behaviour.
- 68. On 1st September 2020 following the presentation of the Evaluation Report, Executive approved a period of consultation on the re-designation of the selective landlord licensing scheme in the North Ormesby area, as shown at Appendix A.

Consultation

69. Consultation on the proposed scheme was carried out over a 10 week period between 28th September 2020 and 7th December 2020. Letters were sent out to all Selective licensing landlords, residents and businesses affected within the area of North Ormesby and leaflets were delivered to a wider consultation area. The consultation process provided full details of the proposed scheme and responses were requested to be submitted through a proforma questionnaire online (Appendix C) and via e-mail. In

addition, all consultation material was available on the internet and the consultation was publicised in the press, on social media and through partners. Contact could also be made by telephone. Due to Covid-19 restrictions it was not appropriate to arrange and host consultation workshops.

- 70. During the 10 week consultation the following were received:
 - 7 telephone calls,
 - 22 emails, and
 - 60 proforma online responses.

The report attached at Appendix D shows a summary of the e-mail and telephone call responses. Some of those who responded by email also responded by completing the online proforma, as highlighted. In summary, the majority of the 29 email/telephone responses came from landlords/managing agents with 12 objecting to the scheme for a range of reasons including:

- Cost of the scheme/landlords should not be required to pay it
- The Selective Landlord Licensing scheme is not effective
- Landlords do not see the expected outcomes
- Landlords do not get enough support from the Council
- Good landlords are penalised for the behaviour of irresponsible landlords
- 71. The report attached at Appendix E provides a full breakdown of the 60 proforma responses received during the consultation process. An analysis of the 60 questionnaires show they originated from:
 - $\,\circ\,$ 3 business owners,
 - o 8 interested parties,
 - o 18 landlords in the proposed licensing zone,
 - o 31 tenants/residents in the proposed licensing zone.
- 72. In summary, the tenant's proforma responses show support for the scheme by stating that:
 - Selective Landlord Licensing will tackle some of the issues in North Ormesby
 - They agree with the proposed licence conditions, proposed programmes of inspections and the tenancy support arrangements.
 - They agree that properties are not maintained to a good standard
 - They agree that landlords behaved irresponsibly in the letting of their properties.

73. In summary, the landlord's proforma responses mostly stated objections to the scheme by stating:

- They disagreed that it would tackle issues in North Ormesby
- 56% disagreed with the licence conditions
- There was no clear indication of favour for the inspection programme
- They support the additional penalty for late payment of fees.
- There was no clear indication on whether landlords maintained their properties to a good standard.
- 44% did not agree that the private rented sector was an issue.

A low percentage of landlords agreed that landlords acted responsibly with their properties. Both landlords and tenants agreed that long term empty properties, the high turnover of tenants, substandard properties and antisocial behaviour were an issue in the Selective Landlord Licensing area.

- 74. In summary, there has been a low number of responses to the consultation. There are 816 private rented properties in the current Selective Landlord Licensing scheme, and 427 landlords. There have been 36 responses from landlords, which represents 8% of the landlords in the North Ormesby Selective Landlord Licensing area. It could be assumed that the 92% who did not respond to the consultation do not have any strong views or do not object to the proposals for re-designating the Selective Landlord Licensing scheme in North Ormesby.
- 75. Whilst all responses have been fully considered and responded to there are two objection which has received significant consideration. These are detailed below:

Exclusion of the "Keepmoat" estate area of North Ormesby from the Scheme

76. Evidence was presented by one landlord acting on behalf of himself and 13 other landlords that an area of housing referred to as "KeepMoat" in North Ormesby should be excluded from the Selective Landlord Licensing scheme. Appendix F shows this location and the list of affected streets. There are 35 privately rented properties within this area and the landlord's objections relate to 23 of the properties.

The housing in this area is approximately 15 years old, located within the North Ormesby ward and forms part of the natural boundary of the Selective Landlord Licensing area.

77. In summary, the landlord states that:

- Only 20% of the properties on the Keepmoat estate are privately rented which is the same as the 'All England' average, whereas across the rest of North Ormesby the figure appears to exceed 50%.
- The average property price on the Keepmoat estate is approximately twice as high as the average property prices across the whole of North Ormesby.
- Anecdotal comments from landlords on the Keepmoat estate are that tenant turnover is low.
- There are no historic records on any empty properties in the Keepmoat estate between 2016 and 2019 and there are no empty properties currently.
- Between 2016 and 2020 there were no CAT1 hazards and one CAT2 hazard reported in the rented properties.
- In the last three years there has been 13 reported incidents of anti-social behaviour for the licensed properties. Throughout the entire five years, none of the 14 landlords have ever been contacted by the Selective Licensing Team, Police, or any other agency about anti-social behaviour at any of their properties.
- From 2011 onwards, Keepmoat landlords made significant investments in new build properties. Just five years later they were then required to pay an additional cost of £580 per property for a Landlord Licensing Scheme to redress low housing demand and anti-social behaviour based on a set of indicators, which the evidence in this report has shown to be inapplicable to the estate, but to elsewhere in North Ormesby.

78. In setting the proposed boundary to the Selective Landlord Licensing area in North Ormesby consideration has been given to including those locations with the highest density of rented properties in the ward as well as other factors such as potential displacement of tenants and anti-social behaviour. Whilst the properties in the Keepmoat area are newer than the rest of North Ormesby, the area is still an integral part of the North Ormesby ward, located in close proximity to the Health Village and Market Place and contains walking routes accessible to all residents in the ward to use for access to retail areas, football stadium and wider. Of the properties in the Keepmoat area:

- 26% private rented
- 17% social housing
- 42% owner occupiers.

Whilst the private rented properties are located throughout the Keepmoat area there are three streets where most properties are located:

- Conyers Way 29% (15) of the properties are privately rented.
- Orme Court 55% (6) of the properties are privately rented
- Saxon Close 77% (10) of the properties are privately rented.

In addition, there are potential plans underway to convert an empty property located in the Keepmoat area into self-contained flats which may be maintained for rental and each would require individual licences.

Antisocial behaviour in the Keepmoat area

79. The figures below demonstrate that antisocial behaviour incidents are occurring in the Keepmoat area and in the private rented properties .

Year		2016	2017	2018	2019	2020 (to date)
Total number of	In North Ormesby	693	571	508	369	Not given
reported police incidents	In the Keepmoat estate	87	138	34	126	101
of anti- social behaviour	for the 35 Licensed properties	15	12	4	0	9

Whilst the 14 landlords objecting to the inclusion of the Keepmoat area state that they have not had any issues with antisocial behaviour, there are 12 properties which are not represented by their owners and their views are not represented in this objection. It should be noted that whilst the objection quotes 13 reported incidents of anti-social behaviour for the licensed properties in three years, during the 5 years of the scheme our records show that 40 antisocial behaviour actions have been taken.

80. There is concern that excluding this area of housing would be detrimental to the Selective Licensing scheme as it is in such close proximity to the main body of the North Ormesby Selective Landlord Licensing area, it is difficult to consider it in isolation and

excluding it could potentially make the scheme less effective. Ownership of the rented properties in the Keepmoat estate may change over time, issues with displacement and tenants or housing standards may arise in these rented properties. Although tenancy referencing would be available it would not be enforceable without the Selective Landlord Licensing licence conditions.

81. An area was excluded from the Newport Selective Landlord Licensing Scheme as the properties had undergone extensive improvement, however there are considerable differences between this area and that of Keepmoat. The area in Newport was designated a "Comprehensive Improvement Zone" and consisted of 35 properties owned by one landlord. Since the implementation of the Newport scheme there have been no reported issues of anti-social behaviour associated with the properties in this area. The involvement of multiple landlords in the ownership of properties in the Keepmoat area, some of which have not been involved this objection, would potentially make it more difficult to resolve issues with housing standards and tenants antisocial behaviour. There is already evidence of antisocial behaviour in the Keepmoat area.

82. Detailed consideration has been given to the proposal to exclude the Keepmoat area from the North Ormesby Selective Landlord Licensing area, however it is recommended that the boundary for the scheme remains unchanged, as detailed in Appendix A.

Response from the National Residential Landlords Association

83. The National Residential Landlords Association objected to the relevance of Selective Licensing Schemes by local authorities and their detailed response is shown at Appendix G. The matters which they have raised have been fully considered and specifically:

- Waste Management in tenancies Middlesbrough Council are currently considering an approach to support tenants and landlords with excess waste at the end of a tenancy.
- Additional fee for licence payment instalments. The additional payment of £100 for instalment arrangements is considered to be part of the licence fee.
- Crime and anti-social behaviour. Through the funding for the scheme there will be a dedicated Neighbourhood Safety Officer for the North Ormesby area to tackle these matters. In addition, existing legal powers will be utilised alongside the Selective Licensing powers.

After considering the NRLA response there are no changes to the proposed scheme.

What decision(s) are being asked for?

84. That Executive consider the results of the consultation and the statutory tests referred to in this report and approve the re-designation of Selective Landlord Licensing within the proposed area of North Ormesby ward (Appendix A)

Why is this being recommended?

85. The North Ormesby area meets the legal requirements for the designation Selective Landlord Licensing area and re-designation will 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 Selective Landlord Licensing scheme in North Ormesby has resulted in improvements in the living and environmental conditions for those living in the area and contributed to reductions in antisocial behaviour.

86. The scheme would continue to ensure that property standards are maintained, antisocial behaviour issues related to tenants are reduced and managed and that landlords are held accountable for the costs of both licensing and the property management improvements. The existing Selective Landlord Licensing scheme designation is selffinancing and, in line with the recommended changes to the scheme, the new designation would work in the same way.

87. The proposed fee of £745 (plus £20 for the Fit and Proper Person check) enables the Council to ensure the scheme is self-financing, it is calculated on the staffing requirements for the administration and regulation of the selective landlord licensing scheme.

- 88. The current boundary for the Selective Landlord Licensing scheme is to be maintained to ensure complete coverage of the area in relation to improved housing standards, improving environmental conditions and reduction in crime and anti-social behaviour and to avoid any issues of displacement.
- 89. The re-designation will allow the continuation of the achievements the scheme has achieved to date, improving living and environmental conditions, reducing anti-social behaviour as set out in the Evaluation Report.

Other potential decisions and why these have not been recommended

90. Other potential decisions were presented and rejected at the Executive meeting on 1st September.

<u>Re-designate an amended area within the area of North Ormesby for Selective</u> <u>Licensing and request approval for consultation.</u>

- 91. This is not recommended as the current area is 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.
- 92. Do not renew the Selective Landlord Licensing designation and carry out alternative interventions to replace of a formal scheme
- 93. Alternatives to Selective Licensing were considered in 2014 prior to the designation of the current Selective Licensing areas. These courses of action have been considered and are explained in detail in paragraphs 49-64. Whilst selective landlord licensing is not intended to be indefinite, a shift to an alternative non-regulatory approach or only relying on traditional reactive enforcement tools is not considered appropriate to sustain outcomes or achieve the Council's objectives. Traditional interventions do not provide the level of engagement with landlords necessary for the desired improvements. Short term proactive enforcement projects have only a limited impact

and are not sustainable without significant investment from existing revenue budgets or grant funding. Selective landlord licensing delivered in a coordinated approach, working in partnership and utilising a wide range of powers is considered to be the most effective means of delivering the Council's objectives.

94. In considering the responses received to the consultation it is maintained that the recommended action to re-designate the Selective Landlord Licensing Scheme in North Ormesby is the most appropriate course. The area meets the legal criteria for the designation of a selective landlord licensing scheme which is the most effective solution to improving management standards in the private rented sector.

Impact(s) of recommended decision(s)

- 95. The recommended decision to re-designate the Selective Licensing scheme in the North Ormesby ward will result in the implementation of the scheme using the same model as the previous scheme with the enhancements described in paragraph 33. The scheme will become effective after a three month period and will be in place for a period of five years, subject to periodic reviews.
- 96. The designation of North Ormesby as a Selective Landlord Licensing area will significantly assist the Council to achieve its objectives.

Legal

- 97.Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local housing authority area. Under the Act a local housing authority can designate the whole or any part or parts of its area as subject to Selective Licensing. Where a selective licensing designation is made it applies to privately rented property in the area.
- 98. A Selective Licensing designation may be made if the area to which it relates satisfies one or more of the conditions required. The local authority may only make a designation if the area has a high proportion of property in the private rented sector. Nationally the private rented sector currently makes up 19% of the total housing stock in England.
- 99. Before making a designation, a consultation is required and full consideration should be given to any representations made during the process. Where the criteria are satisfied and a Selective Licensing scheme is made, a designation may be made for up to 5 years. The designation cannot come into force until 3 months after it is made. A notice of the designation has to be published within seven days of the designation being confirmed. All those consulted on the proposed designation should be notified within two weeks of the designation being confirmed.
- 100. There is a possibility of legal challenge in the form of a judicial review against the decision to introduce or renew a Selective Landlord Licensing scheme. However the risk of such a challenge will be less where the Authority ensures that the legislation is

complied with. An application for permission to Judicially Review a previous Council decision to designate part of Newport Ward was made by one landlord. The High Court refused to grant permission to the landlord to Judicially Review the decision because none of the grounds raised by the landlord were found to be arguable.

101. Legal Services have been consulted on the content of this report.

Financial

- 102. The Selective Landlord Licensing scheme will be self-financing through the payment of the fee by landlords to obtain their licence. The licence fee of £745 per property (plus £20 Fit and Proper check) will ensure that the scheme can be delivered within the existing financial envelope. An additional fee of £100 is proposed for landlords who wish to pay their fee by instalments. This is considered to part of the licence fee and covers the additional costs associated with implementing and maintaining this arrangement.
- 103. The re-designation to the North Ormesby Selective Landlord Licensing scheme has been delayed due to the impact of the COVID-19 pandemic. Therefore, if a re-designation is approved by Executive in February 2021 there will be a gap between the existing scheme which ends on 31st Dec 2020 and the implementation of the new scheme estimated to be in May 2020. It is proposed that in order to maintain the progress of the Selective Landlord Licensing work in North Ormesby the staffing costs will be met by the Public Protection revenue budget.
- 104. This fee and staffing structure has been agreed with Finance and Governance and the Public Protection Strategic Accountant.

Policy Framework

105. The linkages to the Council's policy framework are detailed in full in paragraphs 35-48. The proposed designations contribute both to Middlesbrough Council's Strategic Plan, Housing Strategy through improving the quality of the private rented sector and reducing fuel poverty. The designation will also contribute to reducing health and social inequalities by tackling deprivation in the least well off areas; improving the quality of housing, environmental conditions and reducing crime and disorder which has a direct impact on health and wellbeing.

Equality and Diversity

106. An Equality Impact Assessment has been completed and is attached to this report (Appendix H). There will be no negative, differential impact on diverse groups and communities associated with this report. It has been demonstrated that the North Ormesby Selective Landlord Licensing scheme provides significant benefit to vulnerable groups by improving living standards and providing support in improving health, education and financial management.

Risk

- 107. Approval for designations must be sought from the Secretary of State for Communities and Local Government if more than 20% of the private rented housing or 20% of the geographical area of the local authority are will be subject to licensing. The area proposed, along with the recent designations for the Newport Selective Landlord Licensing area do not cover more than 20% of the geographical area of the borough. This means that the Council does not require Secretary of State approval to make the designation proposed in this report.
- 108. If the Selective Landlord Licensing scheme is not approved for re-designation there is a risk that the successes seen in the North Ormesby ward as a result of Selective Landlord Licensing will start to slow down returning to the initial position prior to the introduction of the scheme e.g., poor housing standards, long term empty properties, elevated levels of anti-social behaviour.
- 109. There is a risk of a shortfall in recovering the costs of the scheme if the scheme does not receive applications and fees from the anticipated number of licensable premises. However the vast majority of the licensable properties have already been identified as part of the previous designation and consultation processes. This risk is also mitigated by the experience that the Selective Licensing team has developed in mapping and taking enforcement action where there is a failure to licence.

Actions to be taken to implement the decision(s)

110. Following approval by the Executive there will be a three month lead in time period before the designation comes into force. A notice of the designation will be published within seven days of the designation being confirmed. A delivery implementation plan will be developed to ensure that the recommended decisions are implemented, including key milestones and will be monitored by a Governance Board.

Appendices

Appendix A – Map of proposed designated area (North Ormesby)

Appendix B – Evaluation Report

Appendix C – Selective Licensing consultation proforma.

Appendix D- Selective Landlord Licensing Consultation Telephone & Email Responses 13112020

- Appendix E Full Consultation Proforma Response Report
- Appendix F Keepmoat Estate Street Names and Map.
- Appendix G NRLA response to the consultation
- Appendix H Equality Impact Assessment

Background papers

Body	Report title	Date
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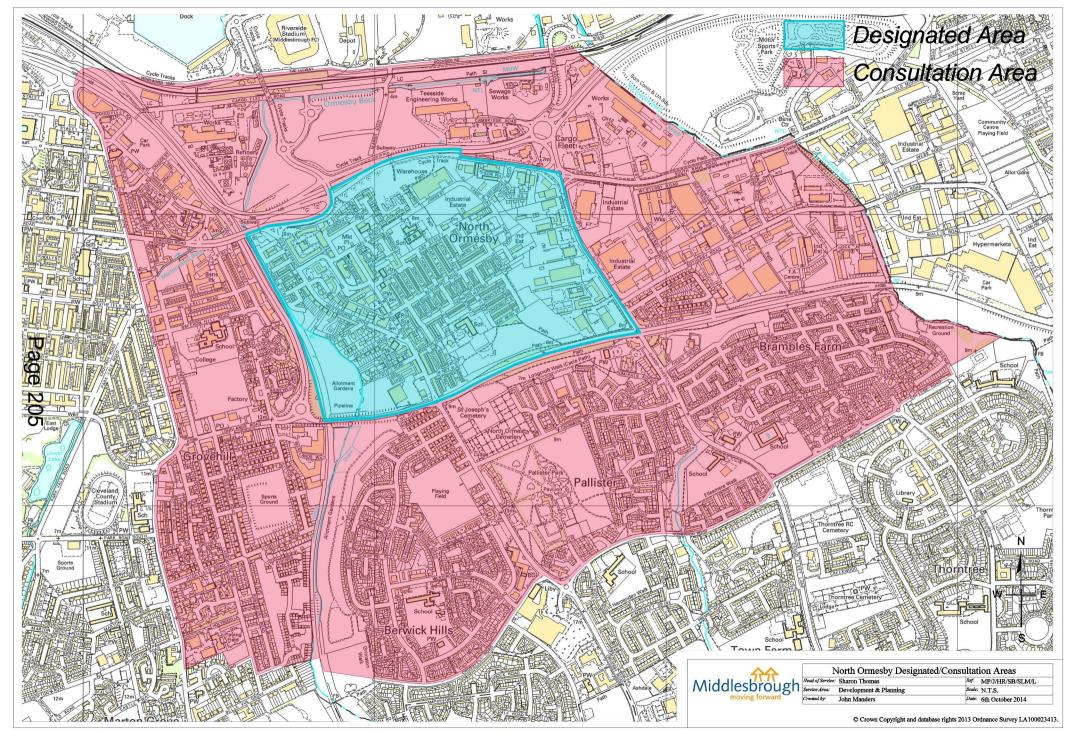
Executive Report	Proposal to introduce Selective Licensing (including Early Help) in North Ormesby	9 December 2014
Executive Report	Selective Licensing (including Early Help) in North Ormesby	14 July 2015
MHCLG	Selective Licensing in the Private Rented Sector. A Guide for Local Authorities.	March 2015
Executive report	Selective Landlord Licensing: Update on the North Ormesby Scheme and Proposed Consultation on the Phase 2 Rollout to Part of Newport Ward	1 October 2018
MBC	Evaluation Report for North Ormesby ward Selective Landlord Licensing Scheme.	July 2020

Contact: Judith Hedgley Head of Public Protection. Louise Kelly, Selective Landlord Licensing Manager.

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Map of proposed designation area and surrounding consultation area

Appendix 1



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SELECTIVE LANDLORD LICENSING NORTH ORMESBY SCHEME

EVALUATION REPORT 2020

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INTRODUCTION

1. Aim of the evaluation

Middlesbrough Council currently operates two Selective Landlord Licensing (SLL) schemes set up under Part 3 of the Housing Act 2004.

Under the terms of the Act, each scheme runs for five years, with an evaluation required before the end of that period to assess its impact and to contribute to the decision whether it should be continued or ended.

The North Ormesby scheme, five-year period during which the locality is designated for Selective Licensing ends in December 2020. The designation on the Council's second Selective Licensing scheme within a part of Newport ward ends on 12th June 2024.

The aim of this report is to present the findings of an evaluation of the Selective Licensing scheme within North Ormesby ward.

Using guidance from Local Government Regulation, the evaluation seeks to identify the effectiveness of Selective Licensing in:

- reducing anti social behaviour attributable to the private rented sector;
- improving management standards in the private rented sector;
- increasing housing demand;
- improving the environment; and
- contributing to the effectiveness of partnership working to improve the quality of life.

2. Methodology

The methodology used for this evaluation of the Selective Licensing scheme within North Ormesby consists of:

- Analysis of data from Middlesbrough Council and other stakeholders collected during the 2016 -2020 licensing period;
- Case studies, including descriptions of the housing market and details on how the Selective Licensing scheme has been managed;
- Interpretation of opinions expressed by managing agents, landlords and stakeholders operating in the Selective Licensing area.

The evaluation has also taken account of findings from an Independent Review of the Use and Effectiveness of Selective Licensing was carried out by Ministry of Housing, Communities and Local Government (MHCLG June 2019, Updated September 2019).

This report also sets out the policy background to Selective Licensing and describing the situation at North Ormesby. The report summarises the performance outputs of the North Ormesby scheme including costs and concludes with a review of options and recommendations. Various further details are contained in appendices.

POLICY BACKGROUND AND PROJECT SET UP

3. Background to Selective Licensing

Part 3 of the Housing Act 2004 provides that a Council (i.e. the Local Housing Authority) may declare a licensing scheme for privately rented accommodation if the following conditions are met: -

• that the area is, or is likely to become an area of low housing demand; and; Page 208 • that the area is experiencing a significant and persistent problem caused by anti-social behaviour;

Selective Licensing requires that any person wishing to rent out a property in a designated area must first obtain a licence from the Council. In order to grant such a licence the Council must be satisfied that the landlord is a "fit and proper" person with satisfactory management arrangements in place to deal with any anti-social behaviour caused by their tenants. Selective Licensing applies only to private landlords, not to social landlords.

Selective Licensing is intended to be just one of many tools available to the Council to address low demand and anti-social behaviour, it is not a stand-alone panacea for every issue affecting a neighbourhood. Therefore, the 2004 Act requires the Council to identify how Selective Licensing will work alongside other measures by showing how it forms part of an overall strategic approach, contributing to existing policies and underpinning future plans for the area.

A full public consultation must be carried out before a decision can be made to introduce a Selective Licensing scheme. This should include consultation with local residents, including tenants, landlords and managing agents, and other members of the community who live, run businesses or provide services in the area proposed for designation. Those outside of the designation who will be affected should be included too.

When the North Ormesby Selective Licensing scheme was introduced in 2015, Secretary of State approval was required to designate an area. However, since April 2010 this power has been delegated to local authorities, who must still meet all the other requirements of the 2004 Act to ensure that a scheme is legally enforceable.

4. The introduction of Selective Licensing in North Ormesby

North Ormesby faced significant major social and economic challenges as summarised below:

- between 2007 and 2010 the North Ormesby ward had the most significant increase in deprivation across the whole town;
- the private rented sector increased by 118% (2001-10) and owner occupation dropped by 18%; and
- poorly managed properties has continued to feed a concentration of anti-social behaviour and crime, confirmed by the Big Local survey which confirmed it as a key concern for local residents.

As a consequence of this concentration of issues a broad range of social problems have manifested themselves, from drug and alcohol abuse to domestic violence. The transient nature of households has also increased the turnover of the area with the local primary school seeing only 50% of those children who start the school at Reception year staying on until Year 6.

North Ormesby had become the destination for those people with limited housing choices. In some cases, those with the most chaotic lifestyles, and a range of social, health and welfare problems that require extensive public sector support, had become concentrated in North Ormesby and other inner areas. A proactive and preventative approach was needed to manage this structural imbalance or the Council and other public sector bodies will continue to pick up the service demands and costs generated by individuals and families. Typically the inner area demonstrated:

- a) High crime rates;
- b) Poor health outcomes;
- c) High levels of social care needs;
- d) Educational under achievement;
- e) Low employment levels;
- f) Benefit dependency; and,
- g) Disconnection from the job market.

Index of Multiple Deprivation (IMD).

The IMD identifies areas of multiple deprivation for each local authority area as a whole and also for smaller areas within each local authority known as Lower Layer Super Output Areas (LSOAs).

The IMD is a relative measure of deprivation and is based on a variety of indicators. Each of the 32,482 LSOAs in England are assigned a score based on deprivation levels, and also a rank based on each of the scores. Rankings for the 326 English districts and boroughs are also calculated. Middlesbrough has a rank of average score of 8 meaning it is the 8th most deprived local authority area in England.

In 2010 the 2 LSOAs for North Ormesby were in the 10% most deprived nationally being ranked 326 and 328 of 32,482 LSOAs. Both LSOAs had declined since 2007 with one showing the biggest decline in Middlesbrough, falling by 1,172 places.

The North Ormesby and Brambles Farm ward was the third most deprived ward in the town, and had declined since 2004.

The Housing Act 2004 gives Local Authorities the power to introduce Selective Licensing for privately rented properties in areas experiencing low housing demand and/or significant and persistent anti-social behaviour. The purpose of the Selective Licensing scheme is to improve standards of property management in the private rented sector, over a five year period of designation which, when combined with other measures, should lead to improved social and economic conditions.

The area of North Ormesby was designated for Selective Landlord Licensing in September 2015 and this came into force on the 1st January 2016. Every landlord who privately rents a property in the designated area of North Ormesby is required to apply for a licence to do so.

5. Selective Licensing Fees

The Housing Act 2004 gives the Council the power to charge landlords a fee for all costs it incurs carrying out its Selective Licensing functions. The Act also allows the Council to take into account costs incurred in carrying functions in relation to Interim and Final Management Orders (so far as they are not recoverable under that part of the Act).

The licensing fee in the North Ormesby scheme was set at £580 per property, plus a £20 Fit & Proper Fee per licence holder. The fee was calculated by estimating the number of licensable properties, and the anticipated staffing costs required to carry out the functions of the scheme (4.5 FTEs and an Apprentice). The payment was split in to two parts with £290 + £20 Fit and Proper Fee payable at the time of the application and £290 payable at the Notice of Intention stage.

With 550 licensable properties originally identified in the North Ormesby Selective Licensing area, an income of £319,000 was predicted from the scheme. The actual income has exceeded expectations as the number of licensable properties has changed over the five years of the scheme due to exemptions, sales of properties and changes in tenure. To date 934 properties have been licensed and generated fees of £608,896. This figure is made up of licence fees, part licensed properties and late fee charges. Income from the licence fees is ring fenced meaning that it can only be used for the delivery of the SLL scheme. North Ormesby fees pay for the following SLL staffing: Manager, SLL Officer, SLL Neighbourhood Safety Officer, SLL Assistant, Apprentice and Tenancy Relations Officer.

PERFORMANCE

Throughout the period of the North Ormesby SLL scheme a series of performance measures have been monitored to track the progress and outcomes of the scheme.

6. Low Demand for Housing

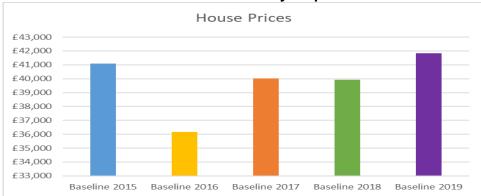
The Council introduced Selective Licensing in North Ormesby on the basis that there was compelling evidence of low housing demand. In line with legislation and guidance the Council considered the indicators of low housing demand such turnover, low property prices, a transient tenant population and high proportion of empty properties.

6.1 House Prices

Prior to the introduction of SLL:

With average sales prices in North Ormesby at £48,000 (Land Registry sold prices between August 2013 and July 2014), they were amongst the lowest in the town. (The average house price for Middlesbrough at this time was £124,000). Performance baseline figures the year prior to the scheme (2015) using Land Registry sold prices show house prices at £41,000.

Prices ranged from £25k-£30k up to £55k dependent on the location within the ward. Those purchasing properties in North Ormesby were predominantly investors looking to buy to rent.



After the introduction of SLL over the 5 year period:

Data source: HM Land registry Open data https://landregistry.data.gov.uk/app/standard-reports/report-design

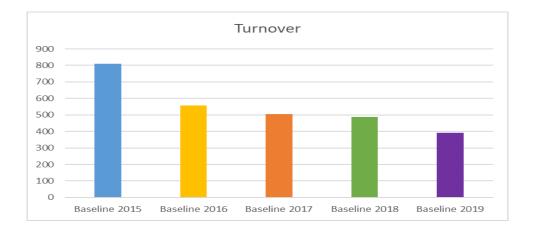
Conclusion: This clearly shows that house prices in North Ormesby are starting to increase. During the designation period observations have indicated that there has also been an increase in the number of renovations of properties.

6.2 Turnover of tenants

Prior to the introduction of SLL:

Council Tax records provide a guide as to the proportion of properties experiencing turnover in occupancy in the North Ormesby ward. Of the 1,791 Council Tax accounts in 2013/14 a change occurred in 72.8% of them, requiring a new account to be created, affecting 705 properties (39%). In the preceding year a change requiring a new account to be created occurred on 85.8% of accounts, affecting 870 properties (50%).

After the introduction of SLL over the 5 year period:



Data Source: Middlesbrough Council, Council Tax records.

Conclusion: Prior to the SLL scheme North Ormesby had a more transient population typically housed in privately rented accommodation which can have a negative impact on the stability and desirability of an area. It can also affect community integration and investment and affect school performance negatively. Following the designation of the SLL scheme it can be seen that the turnover of properties has decreased each year which indicates that properties are not changing hands as much and there is a more static population contributing to improved community cohesion.

6.3 Empty Properties and Long Term Empties (More than 6 Months)

The problems empty properties cause for local communities are well known, but in summary they:

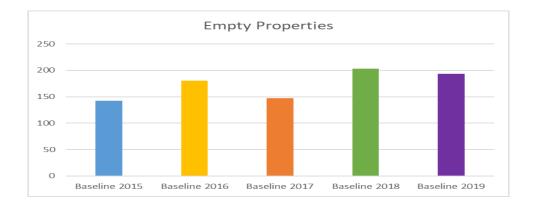
- deny homes to those in need;
- attract vermin, crime, arson, vandalism, fly-tipping and anti-social behaviour;
- are a source of anxiety for owners and neighbours;
- reduce the value of neighbouring properties; and as a consequence,
- are a drain on public services and budgets.

Empty properties which become open for access due to vandalism or criminal damage are subject to legal notices which require the owner to secure the property. This action is taken by officers in the Public Protection Service and this has not changed throughout the life of the scheme

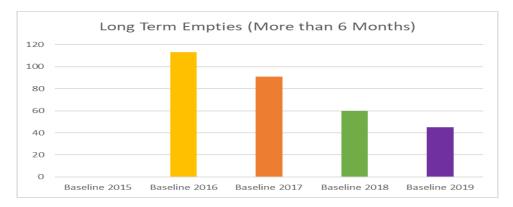
Prior to the introduction of SLL:

At the end of September 2014, according to Council Tax records, there were 68 long-term empty properties in North Ormesby, which equates to 3.9% of total stock. North Ormesby had the second highest proportion of long term empty properties than other areas in Middlesbrough. This position contributed to a negative image causing uncertainty for established residents and making it hard to attract people to the area.

After the introduction of SLL over the 5 year period:



Data Source: Middlesbrough Council, Council Tax records



Data Source: Middlesbrough Council, Council Tax records

Conclusion: Even with the introduction of Middlesbrough Council's Rent & Refurb Scheme and Thirteen purchasing properties in the area, there has been a fluctuation in the numbers of empty properties throughout the five year of the scheme. Whilst the number of empty properties remain high, there has been a very distinct decline in the number of long term empty properties which are the most problematic in terms of attracting anti social behaviour, damage and contribute to lack of confidence in safety in the community. Recommendation for future SLL scheme: To continue with the delivery of the current scheme's approach to dealing with vacant properties. It is proposed that the SLL team

scheme's approach to dealing with vacant properties. It is proposed that the SLL team will be given additional responsibility to serve legal notices to secure empty properties which become open for access. This could potentially increase the efficiency of securing properties in a shorter timescale.

7. Property Conditions

Middlesbrough's Private Sector Stock Condition Survey (PSSCS) 2008 identified North Ormesby as having the highest proportion of non-decent dwellings in Middlesbrough at 60.5%.

North Ormesby also recorded the highest non-decency remedial cost score by area (£40.3m and an average of £3,685, per non decent dwelling).

North Ormesby was also found to have by far the highest proportion of homes with a Category 1 hazard (37.8%). Examples of Category 1 hazards include:

- inadequate heating
- absence of working fire alarms
- leaking roofs

- broken rail on a steep stairway
- lack of physical security, such as doors and windows not closing or locking properly.

7.1 Improving housing standards

Non-decent homes do not meet current statutory minimum standards, are not in a reasonable state of repair, do not have reasonably modern facilities and fail to provide a reasonable degree of thermal comfort.

Middlesbrough's Private Sector Stock Condition Survey (PSSCS) 2008 identified North Ormesby as having the largest proportion of vulnerable households (74.2%) living in non-decent homes.

7.2 Housing disrepair

Prior to the introduction of SLL:

The Council received 145 complaints of housing disrepair in private rented property in North Ormesby between 2011/12 and 2013/14, this equates to 8.4% of the private rented properties in North Ormesby, the town average being 3.4%.

- The Council issued 41 pre-formal schedules of work to landlords in North Ormesby between 2011/12 and 2013/14 (2.4% of private rented housing in the area) with the town average being 0.6%.
- The Council served 9 statutory housing repair notices on landlords in North Ormesby between 2011/12 and 2013/14
- Baseline figures for the scheme show that in the year prior to the introduction of the SLL Scheme 6 housing standards inspections were carried out in North Ormesby following complaints from their tenants. The inspections identified 2 category 1 Hazards and 21 Category 2 hazards

After the introduction of SLL over the 5 year period:

The graphs below show the number of rented properties in NO which have been inspected throughout the course of the SLL to ensure they met housing standards. Generally, residents in the private rented sector do not complain about standards in their property, for a wide range of reasons, which is evident in the low number of complaints in 2014. The incorporation of housing standards inspections into the SLL scheme has resulted in improved housing conditions for residents. The majority of the inspections were completed in 2016/17 (the first two years of the scheme) with the number of inspections declining in 2018/19 due to the reduced numbers of properties requiring inspections which is reflected in the figures.

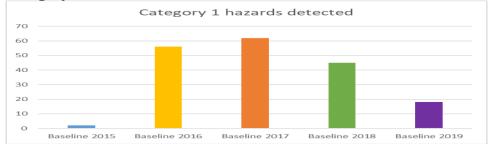


Number of SLL Inspection Visits Completed

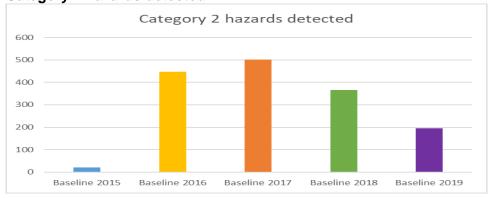
Conclusion: It was originally intended that a 100% of the licence properties in North Ormesby would be inspected in the first 2 years. However, it became evident that due to the nature and chaotic lifestyles of the tenants access to the properties was often difficult and on some occasions it took 3 and 4 attempts to be able to carry out the inspection. In addition, if a property was licensed but was vacated before the inspection was carried out, it would be delayed until the property was tenanted. It was also evident over the course of the SLL scheme that new properties became licensable and required an inspection. The graph above shows the extended timescale required to complete the housing inspection.

The figures for the housing inspections also provide the numbers of multiagency visits made to each property to offer wider support, including the Tenancy support for vulnerable residents.

Category 1 hazards detected



Data Source: FLARE data system Category 2 hazards detected

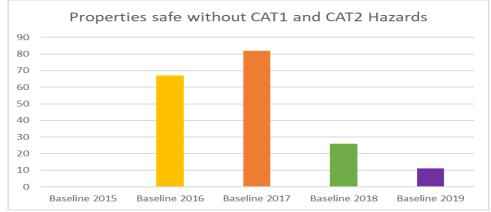


Data Source: FLARE data system

Conclusion: Category 1 hazards are those where the most serious harm outcome is identified, for example, those hazards which may cause death, permanent paralysis, and permanent loss of consciousness, loss of a limb or serious fractures. There is a legal duty to take action when category 1 hazards are identified, and a power to enforce against category 2 hazards. The baseline data shows the low number of tenants which were coming forward to report poor housing conditions. The proactive housing inspections incorporated into the SLL scheme has resulted in a significant increase the number of properties with poor housing conditions in NO and a significant improvement in housing conditions. Without the SLL scheme these improvements would not have been achieved.

Recommendation for future SLL scheme: To maintain a multi-agency approach to property visits and housing standards inspections as a requirement of the SLL scheme.

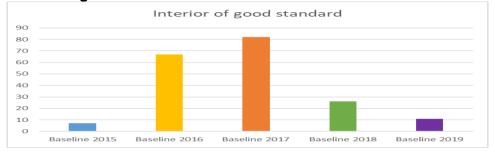
Properties safe without CAT1 and CAT2 Hazards



Data Source: FLARE data system

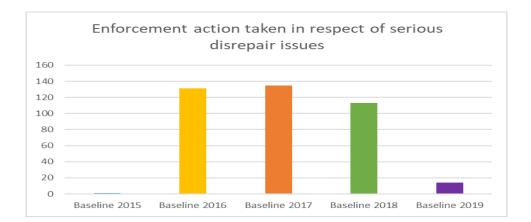
The above graph shows the number of properties safe without Cat1 and CAT 2 hazards. As with the previous graph the majority of the inspections were completed in 2016/17 (the first two years of the scheme) the number of inspections declined in 2018/19 due to the lower number of inspections required to be completed which is reflected in the figures.

Interior of good standard



Data Source: FLARE data system

Enforcement action taken in respect of serious disrepair issues



Data Source: FLARE data system

Case studies are provided to support the above (Appendix 6 – Case study 1 & 2.)

Landlord Testimonial (Nigel Fick) – "In a perfect world there would be absolutely no need for Selective Licensing. There would be no anti-social behaviour, all tenants would conduct their tenancies immaculately and private landlords would be aware of their responsibilities both to tenants and the public and share the information they have.

Regrettably that is not the world we live in. By definition, any area that is subject to Selective Licensing will have poor standards of private housing and higher than normal instances of anti-social behaviour and it is therefore essential that private landlords behave responsibly which is clearly not always the case.

If we are to have Selective Licensing it is of fundamental importance that the local authority team charged with the task does so with understanding and professionalism but also be firm enough to punish landlords who demonstrate an unwillingness to ' play ball '.

I would like to thank you and your team for being so helpful with our licence applications, with on-going advice and support, with helpful information and a boot up the backside when needed".

8. Management Standards

By introducing selective licensing the Council is fully utilising the suite of tools introduced by the Housing Act 2004 to address management standards and property conditions within the private rented sector. As part of a coordinated approach, Selective Licensing compels landlords to maintain good standards and raise the profile of problem properties. Through the increased awareness amongst the community and across agencies, Selective Licensing has become a valuable mechanism for identifying and dealing with bad practice amongst private landlords.

Whilst reputable landlords are provided assurance with a Selective Licensing scheme in place, those landlords whose business practices did not meet the required minimum standards are encouraged and supported to improve their management standards. Landlords who were not willing to work with the Council could face being refused a licence and ultimately having a Management Order imposed against the property which removes it from their control.

8.1 Tenancy Referencing

The Tenancy Referencing Service offers a free service to member landlords which allows them to make informed choices about prospective tenants when letting properties in the Middlesbrough area.

A traffic light system is used to explain the results of the reference check. This lets landlords make an informed choice about whether or not to allocate a tenancy.

- Green: indicates no issues.
- Amber: may indicate that there has been no previous tenancy held, or there may have been some minor tenancy issues or rent arrears.
- Red: indicates evidence of eviction, anti-social behaviour, or high rent arrears.

Prior to the introduction of SLL:

Landlord referencing existed but it was discretionary for landlords to join and use the service.

After the introduction of SLL over the 5 year period:

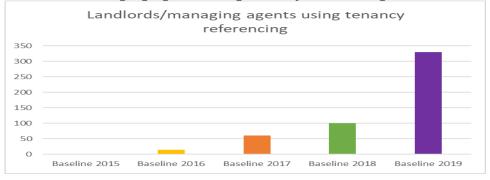
When SLL was introduced tenancy referencing became a mandatory condition of the licence, in addition to conditions requiring landlords to provide a copy of a tenancy agreement, up to date gas safety certificate and an anti-social behaviour plan.

Landlords/managing agents joining tenancy referencing



Data Source: FLARE data system

Landlords/managing agents using tenancy referencing



Data Source: FLARE data system

Conclusion: A licence condition of the scheme is that all landlords need to reference their tenants before placing them in a tenancy but can use any referencing service they choose. The graphs show that during the course of the scheme landlords have not only joined but are using the service.

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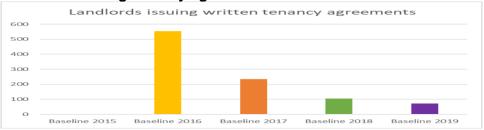
Recommendation for future SLL scheme: It is proposed that a mandatory condition is introduced for landlords to use Middlesbrough Council FREE referencing service as this is a robust service which is broader that the current scheme as it also looks at antisocial behaviour in previous tenancies.

Landlord Testimonial (Paul Norman) - "For many years I prevented my clients (investors) and myself from purchasing /working in this area and told anyone who asked where to buy, not North Ormesby! Since Selective licensing has been rolled out my attitude to the area has changed dramatically due to the efforts by the team at the hub.

I can see, personally, the difference to the area and the type of tenants. I see a lot more builders vans here than I have ever seen in the street (we did have a few we managed and maintained before my change of heart). Houses look better generally, and it seems a concerted effort to remove the stigma from "Doggy" is slowly being removed for the landlords. As a comparison, to show our faith in the improvement, we are currently working on 8 refurbishment programmes in the area. In Middlesbrough, just 1!.

The referencing is very good, I am an Accredited Landlord with the NLA, their referencing costs me £24 per time. It does not, however, tell me their history at previous address's, nor their conduct, whether they have issues with housing benefits and rent etc. The service is much more beneficial to prospective and established landlords.

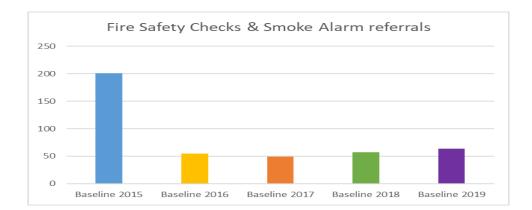
In my opinion, Selective Licensing has changed North Ormesby and it was much needed".



Landlords issuing tenancy agreements

Data Source: FLARE data system Conclusion: When landlords apply for a selective licence it is mandatory that they must upload a copy of the current tenancy agreement along with the application form. The decrease in numbers throughout the scheme is due to the number of applications received.

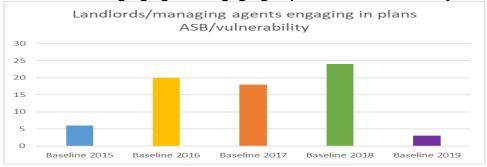
Fire Safety Checks & Smoke Alarm referrals made by team following property inspection



Data Source: FLARE data system & Selective Licensing Spreadsheet

Conclusion: It is a mandatory condition that smoke alarms are fitted at each floor level within a property. At the start of the tenancy it is the landlord's responsibility to ensure alarms are fitted, during the tenancy it is the tenant's responsibility to ensure the alarms stay in a working condition. On each housing inspection every tenant is offered a home fire safety check with the fire brigade and if smoke alarms are not present or found to be not working new smoke alarms are requested. If these visits were not carried out there would a larger number of properties without adequate smoke and fire protection.

Landlords/managing agents engaging in plans ASB/vulnerability



Data Source: FLARE data system 9. Antisocial Behaviour & Early Help

9.1 Antisocial Behaviour

Anti-social behaviour and crime can have a devastating effect on individuals and communities. It describes a wide range of everyday nuisance, disorder and crime from graffiti and noisy neighbours to harassment and street drug dealing. It is sometimes dismissed as trivial, but anti-social behaviour has a huge impact on victims' quality of life and it is often the public's number one priority when it comes to local concerns.

The types of anti-social behaviour that the Council's Community Safety Team regularly deals with includes:

- Vandalism, graffiti, and other deliberate damage to property or vehicles
- Teenagers hanging around on the streets
- Rubbish or litter lying around
- Drug use and dealing

• Drunk or rowdy behaviour

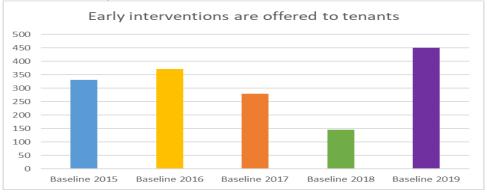
Chaotic families.

Prior to the introduction of SLL:

In Middlesbrough between 2011/12 and 2013/14 there was a total of 1,917 complaints of anti-social behaviour received by the Council's Private Housing Enforcement and Anti-Social Behaviour Teams, an increase over that period of 67.9%.

Between October 2013 and September 2014, Cleveland Police also dealt with 732 cases of anti-social behaviour in North Ormesby. This was the second highest rate per population in the town. The ward with the highest rate was Middlehaven, which includes town centre related anti-social behaviour e.g. reports of drunk/rowdy behaviour, often handled by Street Wardens.

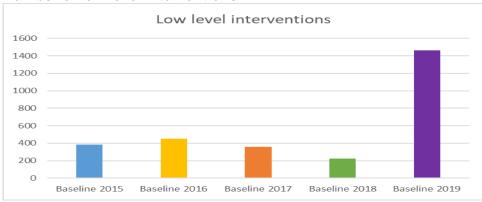
After the introduction of SLL over the 5 year period:



Number of early interventions offered to tenants

Data Source: FLARE data system

Early interventions are: referrals into other services for support.

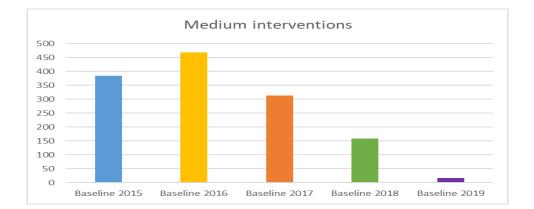


Number of low level interventions

Data Source: FLARE data system

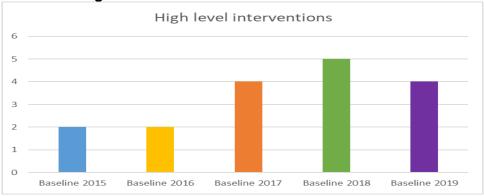
Low Interventions are: cases open/closed, telephone call/e-mail, letter drop, diary sheets received, initial warning letters, motorbike warning letter, site meetings and joint patrols.

Number of medium interventions



Data Source: FLARE data system

Medium Interventions are: second warning letter, final warning, ABC issued, ABC breached, joint interviews and tenancy breach interview.

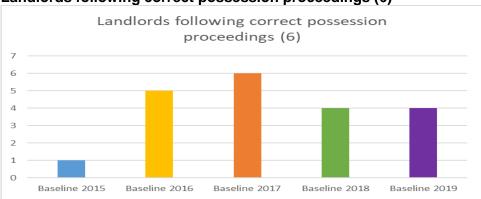


Number of High level interventions

Data Source: FLARE data system

High level interventions are: Criminal Behaviour Orders, Civil Injunction, House Closures (all for high levels of persistent antisocial behaviour and a last resort after all low and medium level interventions have been exhausted).

Conclusion: It should be noted that in 2018 in line with Community Safety Neighbourhood Safety officers, the categories for the codes for early, low, medium and high interventions were reviewed. This resulted in a number of the previous early and medium interventions being moved into the low category which explains the discrepancy in figures. The figures demonstrate the wide range of interventions delivered as part of the SLL scheme to tackle antisocial behaviour.

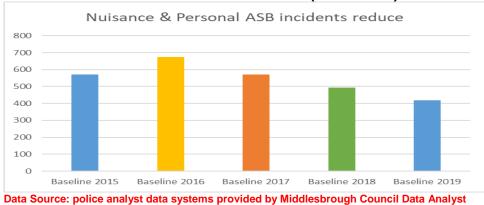


Landlords following correct possession proceedings (6)

Data Source: FLARE data system

A Case Study is provided to support the above in Appendix 6 – Case Study 5

Landlords following correct possession proceedings are: Landlord's serving section 8 or section 21 notices.





The personal and nuisance ASB incidents in North Ormesby (Police data) has reduced by 19% between 2015 and 2019.

9.2 Early Help

It was originally planned to offer Early Help interventions supported by Children's Centre colleagues as part of the SLL intervention. A multi-agency/disciplinary team visit was made to each property which incorporated the housing standards inspection. This team was made up of representation from SLL team, Neighbourhood Safety Officer, Early Help Practitioners, Environmental Health Officer and Police, if required. It became apparent during the course of the scheme that the most vulnerable people requiring

support were single lone adults with complex needs. The delivery of the scheme was amended to include a Tenancy Relation's Role.

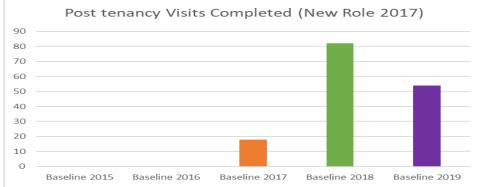
The inspection process is now carried out by the Selective Licensing Tenancy Relations Officer and Environmental Health Officer. This approach is to ensure that as well as checking compliance with the licence conditions, the tenants are helped and supported with any issues they may be facing. Issues may include substance misuse, parenting skills, unemployment; the team make referrals to relevant agencies and follow-up any actions. The services offered through the inspection team are of benefit to landlords, tenants and the wider community to help to reduce the turnover of tenants.

Post Tenancy Visits Arranged (New Role 2017) 120 100 80 60 40 20 0 Baseline 2015 Baseline 2016 Baseline 2017 Baseline 2018 Baseline 2019

Post Tenancy Visits Arranged (New Tenancy Relations Officer Role 2017)

Data Source: FLARE data system





Data Source: FLARE data system

Conclusion: Post tenancy visits are carried out on all new tenancies. Part of the Tenancy relations officer role is to carry out a post tenancy visit approximately 4 weeks after the new tenancy has commenced to ensure that the tenant have settled into their new home and to discuss any concerns/issues they may have. If there is and history of previous anti-social

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behaviour this visit is conducted jointly with the Neighbourhood Safety Officer. A post tenancy visit appointment letter is normally sent (Post tenancy visits arranged figure) however some visits are not prearranged for example if a complaint is made. This explains why the number of post tenancy visits completed is greater than those arranged.

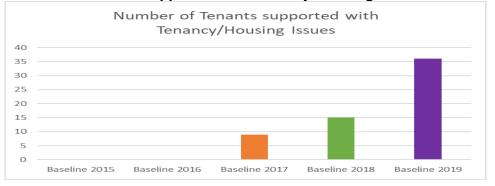
Number of Tenants Signposted to Services



Data Source: FLARE data system

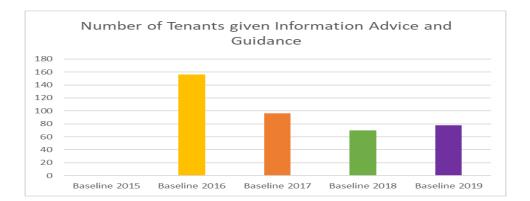
Conclusion: During inspection and post tenancy visits the tenancy relations officer discusses the tenant's needs and referrals into other services such as Mental Health, substance misuse and debt services. Without this SLL intervention these tenants may not access the services they require or access may be delayed. The SLL scheme has provided support to tenants over the scheme. It is not clear why the number of people supported dipped in 2018.

Number of Tenants supported with Tenancy/Housing Issues



Data Source: FLARE data system

Number of Tenants given Information Advice and Guidance



Data Source: FLARE data system

Conclusion: During inspection and post tenancy visits tenants are given information, advice and guidance on any matters arising, these can be tenancy issues, antisocial behaviour, information on refuse/recycling days, alley gates and more. These types of intervention assist in tackling anti social behaviour.

Case Study 3

Landlord Testimonial – "I would like to take this opportunity to thank the Selective Licencing Team for their continued help and support for the excellent service you provide. Personally I think the scheme has been a huge success and I can certainly see a lot of improvements in North Ormesby since the scheme began. It is reassuring for landlords that the team are on hand for help and advice when needed. The tenancy referencing is an excellent tool for landlords to have. I wish that more landlords would embrace the scheme as I am sure that if they did then together we could improve the environment for our tenants and also restore the slump in property values.

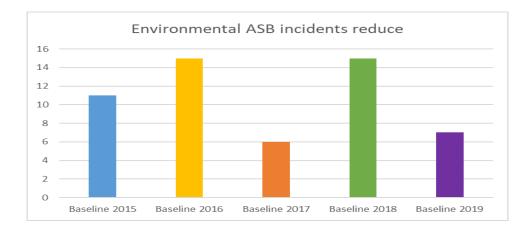
I sincerely hope that the scheme continues in the future as I feel that if it is stopped then standards would fall which would be detrimental to residents of North Ormesby and the reputable landlords who want to provide good quality housing in a safe environment".

10. Environmental Nuisance

Environmental nuisance and fly-tipping was an issue in North Ormesby especially in and at the entrance to alleys.

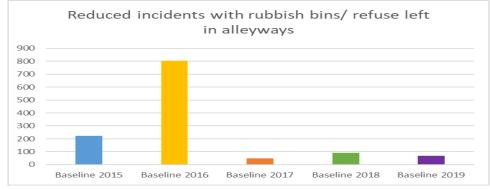
After the introduction of SLL over the 5 year period:

Environmental ASB incidents reduce



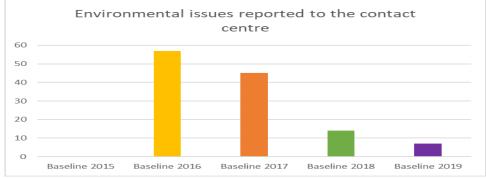
Data Source: police analyst data systems provided by Middlesbrough Council Data Analyst

Reduced incidents with rubbish bins/ refuse left in alleyways



Data Source: Street scene operative's data into Microsoft Access report





Data Source: FLARE data system

Conclusion: The Selective licensing team conduct daily walkabouts in the area and introduced a multi-agency walkabout fortnightly to address the issue. Any flytipping or rubbish identified by the team is reported to Middlesbrough Council contact centre. The walkabouts identify hotspots and problem areas an can implement early intervention to remove waste and to attempt to prevent further

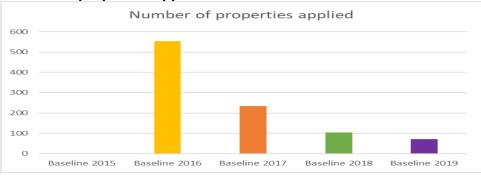
11. Application Process

11.1 Applications Received

Within the designated area of North Ormesby all privately rented properties need a licence to operate. The owner of the rented property needs to make an application to the Council. The Council must be satisfied that of all the person with an interest in the property, the most appropriate person is the licence holder, this would usually be the property owner.

The licence is valid for a maximum of 5 years. Failing to apply for a licence could lead to prosecution and an unlimited fine. If prosecuted, this would lead to the licence holder no longer being classed as 'fit and proper' and would mean they would need to find someone else to hold their licence and undertake the management of the property.

At the start of the scheme it was estimated that 550 properties would require licences, to date 934 properties have been licensed.



Number of properties applications

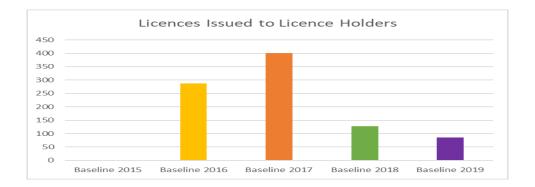
Data Source: FLARE data system

Conclusion: The number of properties applying for the scheme have decreased over the course of the SLL scheme as most landlords have complied with the requirement to licence introduced in 2016. Applications have been received throughout the duration of the scheme due to the sale of properties and changes in tenure.

11.2 Licences issued

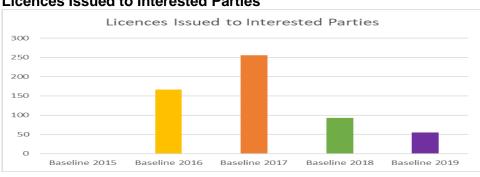
Once a landlord has applied for a licence, the application is then checked and a notice of intention (draft licence sent including second payment link, once the second payment has been received the licence is issued.

Licences Issued to Licence Holders



Data Source: FLARE data system 11.3 Licences issued to interested parties

If the property has an interested party in the property i.e. a mortgage company then we also issue a copy of the licence to the interested party.



Licences Issued to Interested Parties

Data Source: FLARE data system

12. Enforcement

Failing to apply for a licence could lead to prosecution and an unlimited fine. In addition to the fine the Council can apply for a Rent Repayment Order which allows amounts paid in connection with a tenancy or licence to be recovered for the period that the property should have been licensed.

12.1 Enforcement for non-compliance

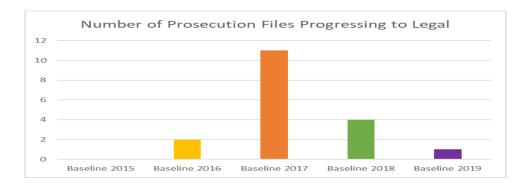
Landlords are given adequate time and support to apply for a Selective licence. They are sent an initial notification letter, giving 4 weeks to apply. If no application is received they are then sent a reminder letter incurring a £100 late fee and giving a further 14 days to apply for a licence. If an application is still not received we then pursue the landlord and take enforcement action for non-compliance with the scheme. Under the Housing Act 2004 a person commits an offence if he is a person having control of or managing a house which is required to be licensed under this Part (see section 85(1)) but is not so licensed.

Prior to the introduction of SLL:

No enforcement was taken against landlords in the North Ormesby ward.

After the introduction over the 5 year period:

Number of Prosecution Files Progressing to Legal Services



Data Source: FLARE data system & Selective Licensing Legal Data spreadsheet

Conclusion: The number of prosecution files shown were submitted to Legal Services for non-compliance with the scheme. Some landlords responded at the summons stage and applied for a licence therefore the case did not progress to a hearing. The low number of cases indicate that most landlords have complied with the SLL scheme.

There have been 7 prosecution and the results of some of the legal proceedings are summarised below:

- 1 landlord pleaded guilty, fined £6000 (£500 per property) + £1000 costs. Landlord applied for licences after prosecution;
- 1 landlord found guilty in his absence, fined £5,500 (£500 per property) + £775 costs. The landlord still hadn't applied for licences so we applied for a Rent Repayment Order from the date of the offence he was convicted (it was successful and he was required to pay back 5 Months (£20,000) housing benefit payments).
- 3 further cases resulted in 2 successful prosecutions (1 fined £926 & 1 fined £2,546) and 1 landlord applying.
- 7 landlords were summonsed but applied for licences before the court date, and after liaison with Legal Services and it was decided that it was not in the public interest to continue with these prosecutions

Case study provided to support the above in Appendix 6 – Case Study 4

12.2 Partnership working

The SLL team work in close partnership with other services and agencies to maximise the impact of the scheme, service include police, fire brigade, community groups, youth groups and other council's services such as street warden service and environmental services. It was initially planned that SLL would be a multi-agency team and include Police, Fire Service and Social Care (similar to the place based working) and working together with landlords. It is envisaged that this multi-agency approach will be achieved through the delivery of the Locality based working arrangement proposed for North Ormesby and SLL will work closely alongside the other agencies as part of this set up, benefiting from the close ground level working.

Police Testimonial (Inspector Snaith) - "I would publically say that both I and Cleveland Police fully support Selective licensing. It is an excellent process that supports the interests of the landlords, ensures safe and suitable accommodation for tenants and also helps to improve the quality of the broader community.

I would fully support its expansion into other areas within Middlesbrough.

I think there is an excellent working relationship with the Police and following our meeting last week, we will continue to improve this relationship"

13. Scheme Audits and Evaluations

13.1 MHCLG Independent Review of Selective Licensing schemes

An Independent Review of the Use and Effectiveness of Selective Licensing was carried out by Ministry of Housing, Communities and Local Government (MHCLG) in June 2019 and was updated in September 2019.

The survey results indicated that the most common reasons for the introduction of a SLL scheme are:

- poor housing conditions
- pervasive anti-social behaviour
- deprivation, and
- low demand.

When the London boroughs are excluded from the calculation, low demand as a reason for the introduction of selective licensing is relatively common.

With only one exception, all local housing authorities with schemes in operation considered their schemes to be at least "fairly effective" in tackling one or more of the issues licensing was introduced to address. 41% of local authorities reported their schemes were "very effective", 51% were "fairly effective" and only 9% were "fairly ineffective" or "very ineffective". This clearly indicates that the local authorities currently operating SLL schemes find it to be an effective policy tool.

The review overall indicates that SLL is effective policy tool with many schemes achieving demonstrable positive outcomes. This study also finds that schemes appear to be more successful as part of a wider, well planned, coherent initiative with an associated commitment of resources, as opposed to those schemes implemented in isolation which have more limited outcomes. This finding entirely consistent with the aims of the Housing Act.

13.2 Middlesbrough Council Scrutiny Panel Review

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

- They recognised the achievements made through SLL in the North Ormesby ward, including improving community confidence which has led to increased reporting of anti-social behaviour and crime to the SLL team.
- They were extremely complimentary of the work achieved, and applauded the Selective Licensing Team for their efforts.
- They 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 were of the opinion that the excellent work achieved since the introduction of Selective Licencing in North Ormesby and hoped that any future schemes would mirror this model.

Members asked about the potential for a Selective Landlord Licensing town wide scheme which they considered would have benefits across the whole town. However, many of the wards in Middlesbrough do not meet the legislative criteria to introduce a SLL scheme such as that the area is, or is likely to become, an area of low housing demand; and; that the area is experiencing a significant and persistent problem caused by anti-social behaviour; and would put the Council at risk of legal challenge.

Additionally, if rolled out on an Early Help basis, it would almost certainly be cost prohibitive. If it was run more simply, as a licensing regime, it is unlikely to have significant impacts on supporting residents' needs".

13.3 Middlesbrough Council Internal Audit

An internal audit of the SLL scheme in North Ormesby was carried out in January 2019, prior to the implementation of the Newport SLL scheme. The audit found that the scheme has strong control measures, there were no recommendations and had exceeded the Council's expectations.

CONCLUSION

In accordance with the guidance from Local Government Regulation, the effectiveness of the NO Selective Landlord Licensing has been measured against the following:

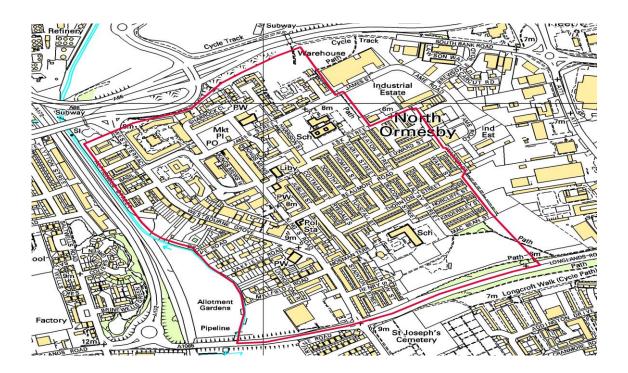
- reducing anti social behaviour attributable to the private rented sector;
- improving management standards in the private rented sector;
- increasing housing demand;
- improving the environment; and
- contributing to the effectiveness of partnership working to improve the quality of life.

The above evaluation of outcomes and performance have demonstrated that Selective Landlord Licensing in North Ormesby has resulted in a wide range of positive outcomes and benefits to the community, landlords, tenants and owners, both directly and indirectly, including:

- Improved management and condition of privately rented accommodation.
- Supported landlords in dealing with anti-social tenants.
- Educating tenants about their responsibilities and their impact of their behaviour on the community and neighbours.
- Encouraged tenants to recognise when properties are of a sub-standard condition and what options are available to them.
- Promotion of landlord aspiration to let property to a higher standard and to act in a professional manner.
- Encouragement of landlords not to take tenants with a poor reference.
- Improvement of the image and desirability of the area.
- Improved values of property in the area.
- Encouraging a change to the tenure mix of the area. Protect investment in the area.
- Working with those landlords who are not providing good quality accommodation or managing their tenancies effectively and removing "rogue landlords" altogether.
- Reduced tenant turnover leading to sustainable communities, creating communities where tenants want to remain.
- Encouraged the use of reputable managing agents when landlords are inexperienced or "absentee".
- Raising community confidence through the appropriate use of enforcement powers against landlords who are failing to comply with the provisions of the Housing Act 2004.

APPENDICES

Appendix 1 - Map of designated area



Appendix A – Proposal Document

Appendix 2 – Fit & Proper Person Check

LIST OF CONVICTIONS, CAUTIONS, REPRIMANDS OR WARNINGS

CATEGORY 1 OFFENCES

A conviction for these offences will usually result in the Licence application being rejected.

Offences of Fraud or other dishonesty

- Benefit fraud (offences under ss111A and 112 of the Social Security Administration Act 1992)
- Theft
- Forgery
- Burglary
- Conspiracy to defraud
- Obtaining money or property by deception
- People trafficking

Offences of violence

- Murder
- Manslaughter
- Arson
- Malicious harm (s20 Offences against the Person Act 1861)
- Possession of a firearm
- Possession of an offensive weapon
- Actual bodily harm (s47 Offences Against the Person Act 1861)
- Grievous bodily harm (s18 Offences Against the Person Act 1861)
- Robbery
- Riot
- Affray
- Any racially aggravated offence (Crime and Disorder Act 1988)
- Common assault
- Common assault which is racially aggravated
- Assault occasioning actual bodily harm

Offences relating to drugs

- Possession of class a drugs
- Supply of drugs

Sexual and indecency offences

- Rape
- Soliciting
- Indecent assault
- Indecent exposure
- Any other offence under Schedule 3 of the Sexual offences act 2003

Housing Act Offences

- Protection from Harassment Act 1997
- Protection from Eviction Act 1977
- Any conviction for failure to comply with the licensing regime as set out in the Housing Act 2004 (s95)
- Provision of false or misleading information (s238 of Housing Act 2004)
- Obstruction (s241of the Housing Act 2004)
- Failure to comply with a licence condition (\$95.01 the Housing Act 2004)

- Failure to hold a relevant licence (s72 of the Housing Act 2004)
- Breach of improvement notices and prohibition orders (s35.6 s32.2b of the Housing Act 2004)
- Public Health Acts of 1936 and 1961
- The Building Act 1984
- Environmental Protection Act 1990
- Town and Country Planning Act 1990
- Prevention of Damage by Pests Act 1949
- Local Government (Miscellaneous Provisions) Acts of 1982 and 1976
- Housing Grants, Construction and Regeneration Act 1996
- Local Government and Housing Act 1989
- Housing Act 2004

CATEGORY 2 OFFENCES

A conviction for these offences will be viewed seriously and, following further investigation, could result in the licence application being rejected. Alternatively a one year Licence may be issued.

Offences of dishonesty

- Handling or receiving stolen goods
- Theft

Offences of violence

- Violent disorder
- Police assault
- A caution, reprimand or warning for any Category 1 offences will be classed as a Category 2 offence.

CATEGORY 3 OFFENCES

A conviction, caution, reprimand or warning for these offences may also be taken into account and further information will be requested in order to determine the relevance of these offences. If deemed to be relevant or sufficiently severe, these offences could result in the licence application being rejected. Alternatively a one year Licence may be issued.

Offences of violence

- Common assault
- Criminal damage
- Obstruction
- All other offences relating to dishonesty, drugs, sexual and indecency, Housing and Landlord and Tenant.
- A caution, reprimand or warning for any Category 2 offences will be classed as a Category 3 offence.

Appendix 3 – Licence Conditions

Mandatory Conditions Schedule 4 Housing Act 2004

If gas is supplied to the house, the Licence holder shall provide to Middlesbrough Council a Gas Safety Certificate issued within the previous 12 months at the time of the application and thereafter annually.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004.

2. Electrical appliances

The Licence holder shall keep all electrical appliances and furniture supplied in a safe condition and must provide a declaration as to their safety at the time of application and thereafter on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004.

3. Furniture and furnishings

The Licence holder shall ensure that furniture and furnishings supplied by them are compliant with the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended 1989 and 1993) and must provide a declaration as to their safety at the time of application and thereafter on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004.

4. Smoke alarms

The Licence holder shall ensure that smoke alarms are installed in the property and kept in proper working order and provide a declaration as to their condition and positioning to Middlesbrough Council on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004 and to comply with minimum fire safety standards LACORS.

5. Tenant references

The Licence holder shall request references for prospective tenants, subject to condition number 7.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

6. Terms of occupation

The Licence holder shall supply to the occupiers of the house a written statement of the terms on which they occupy the property. A copy of the terms will be provided to the Council on demand.

Reason: Mandatory condition required by Schedule 4 of the Housing Act 2004

Additional Conditions of Licence imposed by Middlesbrough Council

The Licence holder must ensure that the premises fully comply with the conditions set out below unless notified otherwise

7. Tenant references

The Licence holder shall obtain references for prospective tenants via the Council's Tenant Referencing Service.

Reason: To reduce anti-social behaviour.

8. Number of occupiers

The Licence holder shall ensure that the number of occupants in the property does not cause overcrowding.

Reason: To ensure that the premises comply with Middlesbrough's space and amenity standards.

9. Heating and Insulation/Energy Efficiency

The Licence holder shall provide a copy of a valid Energy Performance Certificate. Also, when requested during the period of the Licence, to complete and return to the authority, an energy efficiency assessment questionnaire of the licensed property.

Reason: To safeguard the health and well-being of the occupants with regards to the reduction of fuel poverty and national energy efficiency measures and to be aware of the statutory requirements for Energy Performance Certificates (EPCs).

10. Property management

The Licence holder shall ensure that:

- all repairs to the house or any installations, facilities or equipment within it are carried out by competent and suitably qualified persons, for example Corgi registered operatives for gas appliances and an electrical contractor who is a member of an approved scheme, such as NICEIC, BSI, NAPIT, ELECSA or BRE.
- all occupants of the house receive written confirmation detailing arrangements in place to deal with repairs and emergencies and report nuisance and anti-social behaviour;

- c) if accommodation is provided on a furnished basis and includes electrical appliances, copies of user manuals or equipment provided as part of the agreement for the occupation of the house;
- d) all occupiers are made aware of the licence and conditions.

Reason: To safeguard the health, safety and well-being of occupants.

11. Fire safety

The Licence holder shall produce a Fire detection and alarm certificate on request, where the property in a House in Multiple Occupation.

Reason: To safeguard the health, safety and well-being of occupants in the event of fire. The Fire Safety Guidance is provided by LACORS, see <u>www.lacors.gov.uk</u>. <u>http://www.lacors.gov.uk/lacors/upload/19175.pdf</u>

12. Carbon Monoxide

The Licence holder shall install and maintain in good working order a carbon monoxide detector to the property.

Reason: To ensure a safe living environment for tenants. There are approximately 50 deaths per year in the UK due to carbon monoxide poisoning, including one case in Middlesbrough.

13. Security

The Licence holder shall ensure that:

- a) the security provisions for the access to the dwelling (including but not limited to locks, latches, deadbolts and entry systems) must be maintained in good working order at all times;
- b) where window locks are fitted, keys are provided to the relevant occupant;
- c) where previous occupants have not surrendered keys, a lock change is undertaken prior to new occupants moving in; and,
- d) where alley gates are installed to the rear of the licensed property, tenants are aware of how to obtain a key.

Reason: To safeguard the health, safety and well-being of occupants.

14. External areas, refuse and waste

The Licence holder shall ensure that:

- a) the exterior of the property is maintained in a reasonable decorative condition and state of repair, including the removal of graffiti;
- b) the tenants are instructed in their responsibilities to maintain at all times any garden, yard and other external areas within the curtilage of the house, and ensure they are kept in a reasonably clean and tidy condition;
- c) the tenants are instructed in their responsibilities in respect of refuse storage and disposal, to include details of what day refuse collections take place and what type of receptacle to use for household waste and recycling;
- d) where they are aware of a pest problem or infestation at the property, they will take steps to ensure that a treatment program is carried out to eradicate it. Records shall be kept of such treatment programs and these shall be provided to the Council on demand;
- e) access is available at all times to adequate, external, refuse storage.

Reason: To ensure that the domestic hygiene and condition of the licensed property is maintained.

15. Training

The Licence holder and/or Manager shall undertake property management training courses or information days, where required to do so by the Council. The training/information days will be provided by Middlesbrough Council.

Reason: To enable the Council to provide licence holders with the knowledge and expertise to improve the management of their properties.

16. Management / Anti-social behaviour

The Licence holder shall take reasonable and practical steps to reduce or prevent anti-social behaviour by persons occupying or visiting the house and the use of premises for illegal purposes.

The Licence holder shall:

- a) provide a written action plan to Middlesbrough Council outlining procedures for dealing with anti-social behaviour at the time of application. This must be reviewed annually and submitted on request;
- b) obtain tenant references prior to granting a tenancy as to previous tenancy conduct, including behaviour of that of the proposed occupier and household;
- c) provide the local authority, upon request, the full names and dates of birth of each occupant of the property;
- d) if he/she receives a reference request for a current or former tenant he must refer the matter to Middlesbrough Council's tenancy referencing service who will carry out the reference on their behalf;

- e) cooperate with Middlesbrough Council, Cleveland Police and other agencies in resolving complaints of anti-social behaviour or criminal activity. The Licence holder and/or their nominated Managing Agent must not ignore or fail to take action against any complaints regarding their tenants. Written records of action taken, if any, shall be maintained and made available for inspection by an authorised officer of Middlesbrough Council on request;
- f) ensure that the appropriate authorities (namely Middlesbrough Council and Cleveland Police) are informed, where they have reason to believe that their tenant's behaviour involves criminal activity;
- g) contact the tenant within 14 days if a complaint is received, or criminal or antisocial behaviour is discovered. The tenant must be informed of the allegations of their behaviour in writing and of the consequences of its continuation. The Licence holder should maintain contact with the Council's Neighbourhood Safety Team in order to monitor complaints and take appropriate action;
- h) endeavour to attend home visits, interviews, multi-agency meetings or case conferences arranged by the Council or Police as and when necessary;
- i) make regular (at least quarterly) inspections of the property to ensure that the property is in a decent state of repair and that the occupiers are not in breach of tenancy terms and conditions. Written records of inspections made, conditions noted and actions taken as a result shall be maintained and made available for inspection by an authorised officer of Middlesbrough Council;
- j) ensure that each tenant is made aware that they are responsible for their own behaviour and the behaviour of other occupiers and visitors. Tenants shall be made aware that if they, other occupiers, or their visitors: engage in criminal activity within the locality, or cause nuisance or annoyance to neighbours; or use abusive or threatening language or behaviour to neighbours; fail to store or dispose of refuse properly; or cause damage to fixtures, fittings, fire prevention or alarm equipment or installations, or to the fabric of the premises; or fail to give access to the landlord or his agent for the purpose of maintaining communal areas or, upon reasonable notice, to inspect or undertake works within their accommodation. They will be liable to enforcement action which may include possession proceedings either under the terms of the tenancy, pursuant to Section 21 of the Housing Act 1988 or pursuant to Grounds 13 or 14 of Schedule 2 to the Housing Act 1988;
- ensure that the occupants of the property are aware of the services available to them and how they can report nuisance and anti-social behaviour to the local authority.

Reason: To safeguard the well-being of occupants, persons visiting the premises and persons in the immediate locality.

17. Notification / consultation of changes

The Licence holder and Managing Agent shall consult with Middlesbrough Council before making any material changes to the provision and provision, fire

precautions or occupation of the house. They must inform Middlesbrough Council of:

- a) details of any unspent convictions not previously disclosed to the local authority that may be relevant to the Licence holder and/or the property manager and their fit and proper person status and in particular any such conviction in respect of any offence involving fraud or dishonesty, or violence or drugs or any offence listed in Schedule 3 to the Sexual Offences Act 2003;
- b) details of any finding by a court or tribunal against the Licence holder and /or the manager that he/she has practiced unlawful discrimination on grounds of sex, colour, race, ethnic or national origin or disability in, or in connection with, the carrying on of any business;
- c) details of any contravention on the part of the Licence holder or manager of any provision of any enactment relating to housing, public health, environmental health or landlord and tenant law which led to civil or criminal proceedings resulting in a judgment or finding being made against him/her;
- d) information about any property the Licence holder or manager owns or manages or has owned or managed for which a local housing authority has refused to grant a licence under Part 2 or 3 of the Act, or has revoked a licence in consequence of the Licence holder breaching the conditions of his/her licence;
- e) information about any property the Licence holder or manager owns or manages or has owned or managed that has been the subject of an Interim or Final Management Order under the Housing Act 2004;
- f) the property becoming empty;
- g) changes to liability insurance;
- h) notification of repossession/foreclosure;
- i) successful claims against the Licence holder for default of tenancy deposits;
- j) change in managing agent or the instruction of a managing agent;
- k) the undertaking of substantial works to the property, including conversions and modernisations or emergency problems relating to fire, flood or disaster and the tenants are made temporarily homeless.

Reason: To safeguard the health, safety and well-being of occupants in the event of changes during the period of the Licence.

18. Absence

The Licence holder shall have in place suitable emergency and other management arrangements in the event of their absence. The name and contact details of the Licence holder and/or manager must be supplied to each occupier and must also be on display in a prominent place.

Reason: to safeguard the health, safety and well-being of occupants in the event of temporary absence of persons in control. Page 241

19. Compliance inspections

The Licence holder shall allow the Council to undertake Licence compliance checks. Council officers will give the Licence holder at least 24 hours notice of these checks and produce valid authorisation at the time of visit. If the inspection is because the Council suspects there has been a breach of Licence conditions then no notice period will be provided.

Reason: To ensure that the property complies with the Housing Act 2004 and Licence conditions.

Appendix 4 – Exemptions

Properties that are exempt from requiring a licence are those that are:

- 1. Subject to a Prohibition Order, under Section 20 of the Housing Act 2004, that has not been suspended.
- 2. Business premises.
- 3. Houses in Multiple Occupation (HMO) that require a statutory HMO licence.
- 4. Tenancies for agricultural land/holdings.
- 5. Controlled by a local housing authority, Police authority, Fire and Rescue authority or a Health Service body.
- 6. Occupied solely by students undertaking a full-time course of further or higher education, and where the person managing or in control of it is the educational establishment.
- 7. Tenancies granted for more than 21 years and the agreement does not allow the landlord to end the tenancy earlier than the term of the lease (the property must be occupied by the original person who was granted the tenancy or members of their family).
- 8. The tenant is a member of the landlord's family. (The house must be the occupier's main residence. The person granting the occupancy must be the freeholder or leaseholder, which is for a period of more than 21 years. This lease must not contain a provision allowing the landlord to end the tenancy earlier than the term of the lease);
- 9. Tenancies or licences granted for the occupancy of a holiday home.
- 10. Accommodation that the occupier shares with the landlord or licensor or a member of the landlord or licensor's family.

Appendix 5 – Fee Structure

Fee and charging structure for the implementation of Selective Licensing in North Ormesby.

Part 3 of the Housing Act 2004 enables the Council to require the application for a Licence to be accompanied by a fee fixed by the Council.

The Council is not permitted to make a profit from the introduction of a Selective Licensing scheme and any surplus must be ring-fenced to the scheme. The fees should, however, take account of all costs incurred in carrying out all duties under this part of the Act.

Standard Fees

To meet the costs involved in running the North Ormesby Selective Licensing Scheme it is proposed to charge fees of:

- £580 per Single Occupancy Household Unit
- £20 per Fit and Proper Person Check in respect of the proposed Licence Holder and the proposed manager (if a different person from the Licence Holder)

Where a licence is refused or revoked, the applicant or licence holder will not be entitled to any refund of fees and will be required to pay any outstanding charges linked to the application.

Applications resulting from a change in ownership of a licensed property will be charged the full standard fee.

Owners should give careful consideration to the person designated as Licence holder as licences run for a maximum of 5 years and are non-transferable. If the licence holder changes for any reason, the full licence fee is payable by the first licence holder and the new licence holder will also need to pay the full standard fee. The new licence holder will not incur a penalty charge as long as the application form, fees and documentation are received within three months of the change of ownership/manager.

Applications for licences in the last six months of the designation will be eligible for a reduced fee of 50%, where properties have not been licensable prior to the 6 month deadline.

Multiple unit charges¹

- Fee per property up to and including 5 units £605
- Fee for each additional unit over 5 within the same building under the same control as proposed licence holder £20

The Council wants a Selective Licensing fee structure that rewards landlords who comply in a timely manner and will also look to recoup its additional costs where landlords fail to come forward during the licensing timescales or provide incomplete applications which requires additional work from the team.

The Council also recognises the current economic climate for landlords and is therefore willing to consider, a 12 month payment plan, by direct debit terms, for landlords. The Council will welcome views from landlords on a final fee structure via the consultation process.

Method of Payment

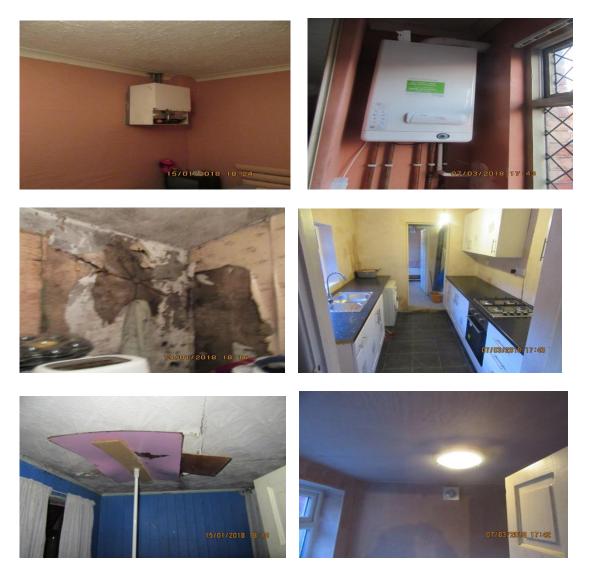
Full amount to accompany the application, or 12 monthly Direct Debit payment set up for full amount. Payments other than Direct Debit can be made in full by cheque, debit or credit card. A charge of 2.5% will be added to your payment if you use a credit card.

If any changes, or default, are made on a direct debit agreement, this will breach licence conditions and impair any discounts offered on the standard fee.

Appendix 6 – Case Studies

Case Study 1 - HHSRS - The SLL Team had arranged numerous inspection visits to a property but the tenant repeatedly wouldn't allow access. An evening visit was made and the tenant finally opened the door. The tenant was initially angry as he was confused as to who his managing agent was as they kept changing. The tenant agreed for officers to carry out the inspection which highlighted at least four Category 1 (most serious) Hazards in the property. These included; no boiler, no heating, no hot water, the bathroom roof falling in (which was propped up with pole), the kitchen was inaccessible and had no cooking facilities. Due to the condition of the property and the hazards identified, a Prohibition Order was served. The Landlord has since installed a new boiler, new kitchen (including cooking facilities), new bathroom roof, bathroom suite, new rear windows downstairs and a new back door. The landlord has also informed the tenant that he is going to supply new carpets in the property downstairs.

Before and after photographs:



Case Study 2 - Inspection Visits - Prior to inspection visits to a landlords three properties we completed checks on the Gas Safe register to make sure that the Gas Engineer who completed the Gas Safety Checks on all three properties was registered as Gas Safe, however he was not found.

During the visits we made the landlord aware of this issue, the landlord was concerned and tried to contact the Engineer but he would not answer his phone. The Engineer has carried out work for the landlord for many years, and had become like a friend.

The landlord phoned the Gas Safe register and they advised him the engineer was not registered.

The Environmental Health Officer who was present on the inspection spoke to the landlord about his concerns and advised he would report this.

It turns out the engineer was registered but was suspended in 2014 for not allowing an engineer from the Gas Safe Register to inspect his work, and the engineer should not have issued the certificate for the three properties, and an investigation will be carried out by the gas safe register.

Case Study 3 - Tenancy Relations - During a tenancy inspection visit with a landlord, it was identified that the tenant was struggling with his mental health issues due to spiralling debts. Whilst at the property a debt enforcement agency arrived to reclaim goods to the value of the debt. Both the Officer and landlord negotiated on the tenant's behalf, providing evidence that the property was a furnished tenancy and that his only belongings were his clothing and toiletries. The SLL Officer arranged an appointment for the tenant to attend Citizens Advice and also made a referral to Firmer Foundations (mental health support). During the Citizens Advice appointment the tenant disclosed significant debts therefore a Debt Relief Order was applied for (due to his severe mental health issues) and a food bank voucher was issued. The tenant has now applied for different benefits and is receiving the much needed support he required.

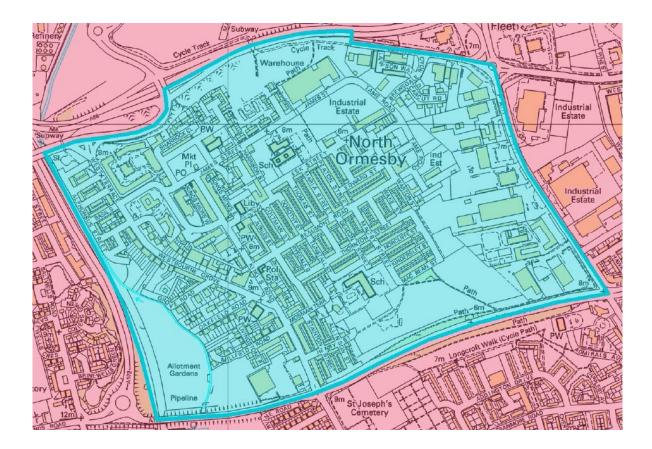
Case Study 4 - Housing Benefit Fraud - A role within the Selective Licensing scheme is to investigate any landlord who fails to comply with the Selective Licensing Scheme. On one particular occasion we investigated a landlord who had active benefit claims for two of the properties they owned and managed in North Ormesby. As part of the investigation we were required to go door knocking and try to speak to the tenants so that we could build a better picture. However after speaking to the tenants neighbours it was established despite the fact the landlord had active claims for both of these properties, one of the properties had been empty for over 6months and the second property had been empty for over 3 years meaning the landlord had been claiming up to 3 years' worth of benefits. This information was passed onto the Benefits Fraud team who are investigating this matter. If this had not been investigated as part of Selective Licensing then maybe this landlord would still be claiming fraudulently.

Case Study 5 - Neighbourhood Safety Officer - A tenant who had been housed by a landlord after a referral from the mental health team had sustained his tenancy for 18 months but after support was withdrawn from mental health services he became involved in antisocial behaviour in the house and visitors took advantage of him. There were allegations of noise disturbance, shouting, fighting and drug misuse at the property and also criminal damage to the house. Visitors were climbing in and out of windows and dealing drugs in the back alley.

The Neighbourhood Safety officer (NSO) liaised with residents and obtained evidence of these incidents and residents completed diary sheets. The NSO contacted the landlord who was willing to work with the scheme to resolve the problem. The tenant had had warnings but took no notice. The landlord served a section 21 but the tenant would not leave when he was supposed to. The NSO contacted the homeless and housing advice team and arranged for the tenant to present himself with the relevant documentation to obtain support and he was offered new accommodation with support. He has now moved and residents nearby report it is quiet. The landlord has agreed to reference any new prospective tenants once the house has been refurbished.



Proposal by Middlesbrough Council to introduce Selective Licensing in North Ormesby



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ABOUT THIS CONSULTATION

The Housing Act 2004 gives the Council powers to introduce Selective Licensing for privately rented properties in areas experiencing low housing demand and/or significant and persistent anti-social behaviour. The purpose of such schemes is to improve standards of property management in the private rented sector. The Council can make the 'designation' if it believes this will, when combined with other measures, lead to improved social and economic conditions in the area.

The Council proposes to introduce Selective Licensing in North Ormesby, as outlined on the map at Appendix 1. The Council's proposal is made on the grounds that North Ormesby is an area of low housing demand.

This document explains why the Council believes Selective Licensing is needed in North Ormesby, how it will operate alongside and complement other measures, the improvements it will bring about and why alternative remedies are insufficient.

The Council wants to hear from those who are likely to be affected by the proposed scheme, including local tenants, landlords, managing agents and other members of the community who live or operate businesses or provide services within the proposed designation. This includes local residents and those who operate businesses or provide services in the surrounding area outside of the proposed designation who are likely to be affected. This wider consultation area is also outlined on the map at Appendix 1.

Details of how to respond to the consultation are set out from page 12.

The consultation will last for a period of 10 weeks, starting on 12 January 2015 and closing on 23 March 2015. After this time the results will be published, including a summary of the responses received and how these have either been acted on or not, giving reasons in each case.

The Council will make a final decision on Selective Licensing after it has fully considered the responses to the consultation.

Should the Council decide to introduce a scheme then all affected parties will be formally notified 3

months in advance of it coming into operation.

CHALLENGES FACING NORTH ORMESBY

North Ormesby is experiencing major challenges associated with social and economic decline:

- between 2007 and 2010 the area showed the most significant increase in deprivation across the whole town;
- a burgeoning private rented sector with evidence to suggest poorly managed properties are feeding a concentration of anti-social behaviour and crime in the area, borne out by the BIG Local whose survey has confirmed it as a key concern for residents;
- equivalent crime levels to Gresham (the area with the highest recent crime levels in the town);
- high levels of social isolation particularly amongst older people; and,
- low levels of resilience to welfare reform impacts.

A significant and concerning pattern of housing and subsequent social decline in parts of North Ormesby can be identified:

- the older terraced properties are no longer the first time buyers 'house of choice' they have been in previous generations;
- the low demand for two bedroom terraced properties has led to private sector landlords purchasing properties at relatively cheap prices;
- some, but by no means all, of these landlords have housed tenants who have gone on to present a wide range of problem behaviours further fuelling low demand levels;
- there are a high number of empty properties in the area; and
- this concentration of issues has seen a broad range of social problems manifest themselves from drug and alcohol abuse to domestic violence and high crime levels.

Whilst North Ormesby may not always be recognised as the most disadvantaged area against every statistical measure, the rate of its decline, it's vulnerability in terms of crime, social isolation, and the impact of welfare reform provides a particularly compelling picture of chronic need – especially in conjunction with the apparent housing market failure. If not addressed, this decline could threaten the long-term stability of the area.

LOW HOUSING DEMAND

The Council is looking to introduce Selective Licensing in North Ormesby on the basis that there is compelling evidence of low housing demand. In line with legislation and guidance the Council has considered the indicators of low housing demand described in the following section. The evidence points to an area with a high incidence of private renting, low property prices, a transient tenant population and high proportion of empty properties.

Tenure mix

North Ormesby has a disproportionately high level of private rented properties and very low levels of owner occupation. It consists of approximately 1,750 properties, of which 38% are privately rented. Approximately 39% are owner-occupied and 18% are social rented.

The level of private renting in North Ormesby contrasts markedly with the rest of the town and the national rate of 16.8%.

In the 10 year period between 2001 and 2011, North Ormesby has seen a major change in its tenure mix.² Owner occupation decreased by 17.7%, the social rented sector decreased by 16.9%, in contrast the private rented sector increased by 118.2%.

Empty properties

The problems empty properties cause for local communities are well known, but in summary they:

- deny homes to those in need; •
- attract vermin, crime, arson, vandalism, fly-• tipping and anti-social behaviour;
- are a source of anxiety for owners and • neighbours;
- reduce the value of neighbouring properties; • and,
- as a consequence, are a drain on public • services and budgets.

At the end of September 2014, according to Council Tax records, there were 68 long-term empty properties in North Ormesby, which equates to 3.9% of total stock. North Ormesby has the second highest proportion of long term empties than other areas in Middlesbrough. This position contributes to a negative image causing uncertainty for established residents and making it hard to attract people to the area.

Property values

With average sales prices in North Ormesby at £48,000³, they are amongst the lowest in the town. Gresham's property value are of a similar price £47,400 where the average price in other town centre wards are higher (£64,000 in Middlehaven and £98,000 in University). The average house price for Middlesbrough is £124,000). A number of factors are at play, including the disproportionate levels of private rented properties when compared with other parts of the town, high levels of crime, anti-social behavior and deprivation, and empty properties. These older terraced properties are no longer the first time buyers 'house of choice' they have been in previous generations.

Anecdotal evidence has been obtained from local estate agents who were asked about the price of properties, location and length of time on the market. Their responses are summarised below.

- Prices range from £25k-£30k up to £55k dependent on the particular location. Those purchasing properties in North Ormesby tend to be investors looking to buy to rent. Properties can be well kept/decorated to a good standard but the location is the issue and limits the selling price. Sales can take from three to eight months.
- Prices are dropping and interest is from investors only not first or second time buyers. Two bedroom properties are selling for £25k to £40k, with three bedroom properties selling for £30k to £50k . Prices have halved in the past three to four years. The condition is not an issue and the sale is completed based on price. There has been a rise in repossessions, or simply moving out of the area.
- Sale price is very much dependent on the location within North Ormesby. Properties around the Beaumont Road area are the ones that sell for very low prices with investor interest and selling for around £22k-£25k.

Turnover

The presence of a more transient population typically housed in privately rented

³ Land Registry, Sold Prices, August

² National Statistics, Household Tenure QS405EW (2001 & Page 252013 to July 2014.

accommodation can have a negative impact on the stability and desirability of an area. It can also affect community integration and investment and affect school performance negatively. Transience can also attract disadvantaged people to the area, which in turn can lead to increased social deprivation.

Concentrations of one and two person younger adult households are associated with the private rented sector in North Ormesby along with a higher level of turnover of tenancies. In North Ormesby 25.7% of the resident population is aged between 20 and 34 compared to 21.5% across Middlesbrough. Population turnover rates from the Office for National Statistics (2009-2010) identified that the Middle Super Output Area for North Ormesby had one of the highest rates of inflow of people aged 25 to 64 in Middlesbrough.

Council Tax records provide a guide as to the proportion of properties experiencing turnover in the North Ormesby area. Of the 1,791 Council Tax accounts in 2013/14 a change occurred in 72.8% of them, requiring a new account to be created, affecting 705 properties (39%). In the preceding year a change requiring a new account to be created occurred on 85.8% of accounts, affecting 870 properties (50%).

Housing stock condition

Middlesbrough's Private Sector Stock Condition Survey (PSSCS) 2008 identified North Ormesby as having the highest proportion of non-decent dwellings in Middlesbrough at 60.5%. Nondecent homes do not meet current statutory minimum standards, are not in a reasonable state of repair, do not have reasonably modern facilities and fail to provide a reasonable degree of thermal comfort.

North Ormesby also recorded the highest nondecency remedial cost score by area (\pounds 40.3m and an average of \pounds 3,685, per non decent dwelling).

The same survey identified North Ormesby as having the largest proportion of vulnerable households (74.2%) living in non-decent homes.

North Ormesby was also found to have by far the highest proportion of homes with a Category 1 hazard (37.8%). Examples of Category 1 hazards include:

- inadequate heating
- absence of working fire alarms
- leaking roof

- broken rail on a steep stairway
- lack of physical security, such as doors and windows not closing or locking properly.

North Ormesby also had the lowest SAP rating (40) – this compares the energy performance of different homes and is measured on a scale of 1 to 100. The higher the rating the lower the fuel costs.

Housing disrepair

The Council received 145 complaints of housing disrepair in private rented property in North Ormesby between 2011/12 and 2013/14, this equates to 8.4% of the private rented properties in North Ormesby, the town average being 3.4%.

The Council forwarded 41 pre-formal schedules of work to landlords in North Ormesby between 2011/12 and 2013/14 (2.4% of private rented housing in the area) with the town average being 0.6%.

The Council served 9 statutory repair notices on landlords in North Ormesby between 2011/12 and 2013/14.

Illegal eviction/harassment

Between 2011/12 and 2013/14 there were 16 complaints of illegal eviction and harassment in North Ormesby, which is the highest rate in the town within the private rented sector.

Anti-social behaviour

Anti-social behaviour and crime can have a devastating effect on individuals and communities. It describes a wide range of everyday nuisance, disorder and crime from graffiti and noisy neighbours to harassment and street drug dealing. It is sometimes dismissed as trivial, but anti-social behaviour has a huge impact on victims' quality of life and it is often the public's number one priority when it comes to local concerns.

Anti-social behaviour that the Council's Community Safety Team regularly needs to deal with includes:

- Vandalism, graffiti, and other deliberate damage to property or vehicles
- Teenagers hanging around on the streets
- Rubbish or litter lying around
- Drug use and dealing
- Drunk or rowdy behaviour
- Chaotic families.

There was a total of 1,917 complaints of antisocial behaviour received by the Council's Private Housing Enforcement and Anti-Social Behaviour Teams, an increase over that period of 67.9%.

Between October 2013 and September 2014, Cleveland Police also dealt with 732 cases of anti-social behaviour in North Ormesby. This is the second highest rate per population in the town. The ward with the highest rate was Middlehaven, which includes town centre related anti-social behaviour e.g. reports of drunk/rowdy behaviour, often handled by Street Wardens.

Crime

North Ormesby is experiencing some of the highest levels of criminal activity in Middlesbrough. Between October 2013 and September 2014 there were 716 crimes reported in North Ormesby. Middlehaven has the highest rate, however, this area includes crime associated with town centre retail and the nighttime economy.

WIDER INDICATORS

Index of Multiple Deprivation (IMD)

The IMD 2010 identifies areas of multiple deprivation for each local authority area as a whole and also for smaller areas within each local authority known as Lower Layer Super Output Areas (LSOAs).

The IMD is a relative measure of deprivation and is based on a variety of indicators. Each of the 32,482 LSOAs in England are assigned a score based on deprivation levels, and also a rank based on each of the scores. Rankings for the 326 English districts and boroughs are also calculated. Middlesbrough has a rank of average score of 8 meaning it is the 8th most deprived local authority area in England.

In 2010 the 2 LSOAs for North Ormesby were in the 10% most deprived nationally being ranked 326 and 328 of 32,482 LSOAs. Both LSOAs had declined since 2007 with one showing the biggest decline in Middlesbrough, falling by 1,172 places.

The North Ormesby and Brambles Farm ward is the third most deprived ward in the town, and

has declined since 2004⁴.

Unemployment

Benefit dependency is a major concern with over 30% of the North Ormesby and Brambles Farm working age population claiming at least one of the key out of work benefits compared to 19.2% in Middlesbrough.

The North Ormesby and Brambles Farm ward has the highest rate of youth unemployment in the town (14.0%), and the fourth highest rate of long-term unemployment (3.6%), compared to Middlesbrough as a whole (6.7%) and (1.8%)respectively.⁵

Fuel poverty

Fuel poverty in England is measured by the Low Income High Costs indicator, which considers a household to be in fuel poverty if they have fuel costs that are above average, and if they were to spend that amount they would be left with an income below the official poverty line.

The key drivers behind fuel poverty are: the energy efficiency of the property, the cost of energy, and the household income.

North Ormesby has a rate (30.9%)⁶ of its households living in fuel poverty, almost three times the national rate (10.4%).

4

www.middlesbrough.gov.uk/index.aspx ?articleid=2135

⁵ Tees Valley Unlimited, Ward Statistics, September 2014.

⁶ Gov.UK Fuel poverty: sub-regional data under low income high Page 255 Scator, 2012.

HOW THE PROPOSED SELECTIVE LICENSING SCHEME WILL WORK

Licence application

Within the designated area all privately rented properties will need a licence to operate. The owner of the rented property will need to make an application to the Council. The Council must be satisfied that of all the person with an interest in the property, the most appropriate person is the licence holder, this would usually be the property owner.

The licence will be valid for a maximum 5 years, although the Council has discretion to grant the licence for a shorter period of time where there are problems with the application such as evidence of insufficient management. Failing to apply for a licence could lead to prosecution and a fine of up to £20,000. If prosecuted, this would lead to the licence holder no longer being classed as 'fit and proper' (see below) and would mean they would need to find someone else to hold their licence and undertake the management of the property.

Fit and Proper Person test

As part of the application process, proposed licence holders and managers will be required to prove that they are "fit and proper persons" and that they have satisfactory management arrangements in place, including those for dealing with anti-social behaviour. A plan for how they will handle complaints of anti-social behaviour will need to be submitted with the application.

When deciding whether a landlord and/or managing agent is "fit and proper" the Council will look at whether they have:

- Committed any serious criminal offences (fraud, violence, drugs or sexual offences)
- Discriminated illegally against anyone
- Breached laws that relate to renting property.

To check this, all applications will require detailed information from the landlord and any relevant managers. Any significant and relevant convictions, cautions, reprimands and warnings will not necessarily mean that an application for a Licence will be refused. Offences have been allocated into categories 1, 2 and 3, with Category 1 being regarded as the most serious (Appendix 2). Where the Council has concerns, applicants will be required as part of the licence conditions to seek a Disclosure Scotland.

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There will be a fee to cover the Council's costs of carrying out the fit and proper person checks, which will be $\pounds 20.00$ per person. Landlords with multiple properties will only be required to pay this fee once, if it is the same owner and manager.

Licence conditions

The license holder will have to satisfy a number of conditions. Breaches of these licence conditions could lead to prosecution and a fine of £5,000.

Mandatory conditions relate to the following requirements:

- a landlord must obtain references from all persons wishing to occupy the property;
- landlords must produce gas certificates;
- electrical appliances must be kept safe;
- the property must have working smoke alarms; and,
- each tenant must be provided with a written tenancy agreement.

The Council is proposing to include a number of discretionary conditions which relate to the management of the property, including: ensuring the number of occupiers does not cause overcrowding with the property, to supply a copy of the Energy Performance Certificate to the Council, to fit carbon monoxide detectors to the property, and have a suitable anti-social behavior plan in place. The proposed licence conditions are attached to this document at Appendix 3.

Refusal to grant a licence

If the licence application is refused, and there is no reasonable prospect of the property being licensed in the near future, the Council can apply for an Interim Management Order to take over the management of the property for up to one year or until such time as the owner is able to rectify the reasons for the licence being refused. If the owner is unable to rectify the problems then the Council can apply for a Final Management Order to take on the management for up to 5 years.

In some circumstances rather than refuse the licence, it may be possible for the owner to apply for a temporary exemption notice. This allows 3 months for the owner to take such steps as are necessary so the property no longer requires a licence e.g. the property has been sold to an owner-occupier.

Failure to apply

Failing to apply for a licence could lead to prosecution and a fine of up to $\pounds 20,000$.

In addition to the fine the Council can apply for a Rent Repayment Order which allows amounts paid in connection with a tenancy or licence to be recovered for the period that the property should have been licensed.

Exemptions

There are certain properties that are exempt from applying for a licence, they are detailed at Appendix 4.

Inspection programme

The Council will inspect all private rented properties within the area. High risk properties that are known to be problematic will be prioritised. The inspection programme will check for compliance with selective licensing conditions including:

- the working order and positioning of smoke alarms;
- carbon monoxide detector;
- tenancy agreements supplied to the tenant;
- property management arrangements.

Compliance action will be taken against landlords who breach licence conditions. Landlords will not be deemed to be 'fit and proper' if housing offences are proven against them in the courts.

The inspections will be on a multi-

agency/disciplinary team, this could include a Licensing Officer, Police, Neighbourhood Safety Officer and Social Care Early Help Practitioners. This approach is to ensure that as well as checking compliance with the licence conditions, the tenants are helped and supported with any issues they may be facing. Issues may include substance misuse, parenting skills, unemployment; the team will make referrals to relevant agencies and follow-up any actions. It must be stressed that only the time of the licensing officer checking compliance with the licence conditions will be charged to the licence fee.

The other services offered through the Early Help Team will be of benefit to landlords, tenants and the wider community to help to reduce the turnover of tenants.

License fees

The Housing Act 2004 gives the Council the power to charge landlords a fee for all costs it incurs carrying out its Selective Licensing functions. The Act also allows the Council to take into account costs incurred in carrying functions in relation to Interim and Final Management Orders (so far as they are not recoverable under that part of the Act).

The Council proposes to charge a basic fee of $\pounds 580.00$ for a licence.

The proposed fee structure is set out in detail at Appendix 5. The Council aims to reward landlords, who come forward to comply in a timely manner. The Council is also proposing to look at payment plans over twelve months, by direct debit.

Income from the licence fees is ring fenced meaning that it can only be used for this project and not for any other reason. It is anticipated the scheme will require 4.5 FTEs and an Apprentice to operate.

POTENTIAL BENEFITS OF THE SELECTIVE LICENSING SCHEME

It is anticipated that introducing this scheme in North Ormesby will have a number of benefits to the community, landlords, tenants and owners, both directly and indirectly, including:

- Improved management and condition of privately rented accommodation.
- Support for landlords in dealing with antisocial tenants.
- Reductions in levels of anti-social behaviour.
- Educating tenants about their responsibilities and their impact of their behaviour on the community and neighbours.
- Encouraging tenants to recognise when properties are of a sub-standard condition and what options are available to them.
- Promotion of landlord aspiration to let property to a higher standard and to act in a professional manner.
- Encouragement of landlords not to take tenants with a poor reference.
- Improvement of the image and desirability of the area.
- Improved values of property in the area.
- Encouraging a change to the tenure mix of the area. Protect investment in the area.

- Working with those landlords who are not providing good quality accommodation or managing their tenancies effectively and removing "rogue landlords" altogether.
- Reduced tenant turnover leading to sustainable communities, creating communities where tenants want to remain.
- Encourage the use of reputable managing agents when landlords are inexperienced or "absentee".
- Raising community confidence through the appropriate use of enforcement powers against landlords who are failing to comply with the provisions of the Housing Act 2004.

The Council aims to build better working relations with landlords in the area and concentrate resources on eradicating bad practice by some landlords.

License conditions will help to ensure that vulnerable tenants are living in accommodation where the management is capable of dealing with their needs.

It will also help the Council to better target resources in dealing with anti-social tenants and enforce against unprofessional landlords.

Selective Licensing will seek to develop a more consistent level of property management services among all private landlords in the area, thus assisting prospective private tenants in making a positive, confident choice about their next home.

Reputable landlords can be assured that if a Selective Licensing scheme were in place, those landlords whose business practices do not meet the required minimum standards would be encouraged and supported to improve their management standards. Landlords who are not willing to work with the Council could face being refused a licence and ultimately having a Management Order imposed against the property.

HOW SELECTIVE LICENSING WILL SUPPORT STRATEGIES FOR THE AREA

Housing plays a fundamental role in delivering sustainable communities, facilitating social and environmental improvements and promoting economic growth. The Council believes that Licensing has an important role to play and offers valuable support to existing initiatives to tackle empty homes, prevent homelessness, create sustainable, high quality neighbourhoods and reduce anti-social behaviour.

Mayor's Vision and the Council's Change Programme

The proposal for North Ormesby clearly links to the Mayors Vision in terms of its contribution to a learning town, in which families and communities thrive, and a town that continues to transform. It contributes directly to a number of the Change Programme outcomes, specifically:

- Providing services and support to communities such that people have more fulfilling lives, feel safe and their need for support services reduces.
- Achieving longer and healthier lives, reducing health inequalities and protecting the local population from environmental hazards and incidents.
- Providing support to help families and adults in need and, maximise their independence such that dependency on services reduces.

Health and well-being

Housing has an important impact on health and well-being: good quality appropriate housing in places where people want to live has a positive influence on reducing deprivation and health inequalities by facilitating stable/secure family lives. This in turn helps to improve social, environmental, personal and economic wellbeing. Conversely, living in housing which is in poor condition, overcrowded or unsuitable will adversely affect the health and well-being of individuals and families.

As mentioned, the Licensing Team will promote multi-agency case intervention strategies where problems are identified.

Private rented sector

Many properties in the sector provide decent accommodation and are well managed by landlords. Selective licensing will be a vital tool in driving up standards. It will reduce the negative impact on neighbourhoods of poor landlords and encourage greater awareness and a sense of responsibility in landlords and tenants alike.

The Council's Housing Enforcement team will continue to employ a wide range of tools to tackle poor property condition, inadequate tenancy management and improve conditions in the private rented sector. These tools include:

- Mandatory HMO Licensing
- Tenant Referencing
- Empty Property Enforcement
- Housing Health and Safety Rating System (HHSRS)

By introducing selective licensing the Council is fully utilising the suite of tools introduced by the Housing Act 2004 to address management standards and property conditions within the private rented sector. As part of a coordinated approach, Selective Licensing will compel landlords to maintain good standards and raise the profile of problem properties. Through the increased awareness amongst the community and across agencies, Selective Licensing will become a valuable mechanism for identifying and dealing with bad practice amongst private landlords.

Anti-social behaviour

Selective Licensing will help to ensure that landlords meet their statutory duties regarding tenancy management and will encourage and assist them to deal with issues of anti-social behavior by taking appropriate and effective action where they receive a complaint about their tenants.

There is a range of other initiatives that are targeted at reducing crime and anti-social behaviour operating across the North Ormesby area and the Selective Licensing team will work in close partnership with other services and agencies to maximise the impact and contribute to improved community safety.

The Licensing Team will promote multi-agency case intervention strategies where problems are identified, which can include actions for the Police, the Youth Offending Team, ASB, and Housing Enforcement teams. Landlords will be offered support and advice to help tackle antisocial behaviour from their tenants.

Prevention of Homelessness Strategy

The private rented sector has a central role to play in offering a decent alternative to owneroccupation or social rented housing. The sector makes a significant contribution to meeting the housing needs of vulnerable people and in many cases has prevented homelessness and minimised the use of temporary accommodation. The Council continues to work in partnership with the private rented sector and Selective Licensing will strengthen this partnership by increasing the number of landlords working with the Council with well-managed, good quality accommodation.

By strengthening the partnership between landlords and the Council, Selective Licensing can contribute to the prevention of homelessness through effective tenancy management that minimises ASB, tackles rent payment issues in a timely and constructive manner and offers a housing option for some of the most vulnerable households in need of a home.

The Localism Act 2011 enabled the use of suitable offers of accommodation in the private rented sector and allowed this sector to be used to discharge the main homelessness duty. Against the backdrop of high demand but a shortage of accessible, affordable social housing, the sector has increasingly become a valuable resource for offering a range of more easily accessible housing solutions for homeless households, but elements of poor management contribute to repeat homelessness. Licensing has the potential to effect long term positive change in the sector and to provide considerable benefits to homeless households.

It is anticipated that the Selective Licensing scheme will help achieve a long-term reduction in the culture of 'tenancy hopping', i.e. the practice of households who are frequently homeless due to anti-social behaviour, and who may be aided by rogue landlords to move around the sector, which prevents underlying behavioural issues from being tackled and which blights local communities.

Empty homes

In Middlesbrough there were 657 private homes empty for six months or more in September 2014. The Council has already begun to tackle this issue and to date has, amongst other things, secured funding from the Homes and Communities Agency and adopted an Empty Homes Action Plan to bring empties back into use.

An important part of the strategy to tackle empty homes is actively targeting owners and providing them with information on the incentives available and the reasons why empty properties are a poor financial option. A range of promotional and marketing measures will be introduced. In some cases encouraging owners will not be enough and the Council will need to take strong enforcement action. It is anticipated that Selective Licensing will help strengthen the partnership between landlords and the Council and the benefits Licensing will deliver to the area will contribute to tackling problem empty properties in North Ormesby.

The BIG Local and North Ormesby Neighbourhood Action Plan

The BIG Local is a community structure based in North Ormesby and formed through a £1m Lottery grant. They recently completed (August 2013) a community survey with over three hundred and fifty residents of the area. The three clear priorities which emerged during that consultation were:

- problems associated with the private rented sector;
- anti-social behaviour;
- street condition.

The Council has concluded there is an urgent need to take strong and immediate action to halt the slide of the area. However, it has also recognised that traditional forms of public sector intervention are no longer applicable and there is a need to re-focus interventions around supporting communities to practice greater levels of self-management, by focusing on strengthening those activities and structures which underpin that ability. In light of this it has agreed to formulate a comprehensive response to address the social and economic issues arising in North Ormesby and endorsed the implementation of an eighteen month strategic intervention in the area.

Selective Licensing will have an important role to play given the priorities identified by the community and the fact that it responds to the need to develop a more radical partnership response to the problems in the area.

ALTERNATIVE REMEDIES AND WHY THE COUNCIL CONSIDERS THEY ARE INSUFFICIENT

The Council has considered whether there are any other courses of action available that might provide an effective method of achieving the objectives that the designation is intended to achieve. The following paragraphs consider other powers and projects that are available to the Council and why they could not replace the proposed Selective Licensing Designation in North Ormesby.

Accreditation

Accreditation is a mechanism for helping landlords or agents to meet agreed standards of competence, skills and knowledge about the business of owning, managing or letting a private rented home.

Accreditation is supported nationwide by a wide range of stakeholders, including the Government, landlord associations, local authorities, Shelter, the National Union of Students and the Chartered Institute of Environmental Health. It can aid the supply of good-quality, well-managed homes.

Accreditation attracts a limited number of landlords, mainly those already providing appropriate management standards and who are motivated to improve the reputation of the private rented sector. Such schemes do not have an intensive impact in any one area, nor do they tackle the worst privately rented properties, as due to the voluntary nature the worst landlords will not engage with the Council or join the scheme.

Experience shows that it is resource intensive to encourage the poorer landlord to join accreditation and when asked to make improvements due to its voluntary nature many landlords fail to comply showing that accreditation cannot tackle the worst standards of property condition and management practices.

Enforcement of housing standards

The Housing Act 2004 introduced the Housing Health and Safety Rating Scheme (HHSRS) which allows local authorities to inspect privately rented properties to ensure the condition of that property does not have an adverse effect on the health, safety or welfare of tenants or visitors to that property. Where necessary the Council will serve statutory enforcement notices to ensure the condition is improved.

The current service is in the main reactive - a complaint will be made and an inspection will determine whether action needs to be taken.

Whilst this approach does improve property conditions it does not have a concentrated impact in one area. In addition this power does not tackle property management standards. Through the selective licensing designation and associated training advice and support, landlords will recognise what improvements need to be made to their properties reducing the need for action under the HHSRS.

In addition the Council will continue to undertake proactive property inspections in the designation area, offering advice and where necessary taking enforcement action to improve property conditions. Improved property conditions will assist in retaining tenants and attracting occupants to the area assisting in tackling low demand.

Management Orders

Part 4 of the Housing Act 2004 introduced the use of Management Orders. The general effect of a Management Order is that the Council takes control of the property, although legal ownership does not transfer from the landlord. There are two forms of Management Order, interim and final. Interim lasts for a period of 12 months which can then be followed by a final Management Order which lasts for a maximum of 5 years.

Once a Management Order is in place the Council takes over the management of the property. The occupiers pay their rent to the Council and any repair costs such as routine repairs or building insurance are taken from the rent before any surplus is given to the owner (landlord).

This power only deals with individual properties and is resource intensive.

This approach does not present a long term solution to address poor management of privately rented stock as the property is returned to the original owner who may not necessarily have improved their management standards in the interim.

The Council will use Management Orders in the designation area as a last resort to deal with landlords who fail to comply with selective licensing and improve their management standards.

Private Sector Leasing Scheme

A Private Sector Leasing Scheme is where the Council takes out a lease, normally 3 to 5 years in duration, from a private owner or landlord on their property. The Council then uses the property to provide affordable accommodation for homeless families.

There is no guarantee that landlords, especially the worst, will join the scheme and the Council cannot compel them to do so. As with Management Orders the scheme does not address poor management practices as the landlord does not gain experience, advice or training during the lease meaning that once handed back management standards will once again be unsatisfactory.

In summary the alternative options to selective licensing would require some, if not all, of the finance from the Council, which in turn comes from everyone paying Council Tax.

Selective Licensing will be self-financing, paid for by the licence applicants and not the community.

Alternative approaches – summary

There is no single solution and each alternative will have its limitations. No single intervention, including Selective Licensing, can solve the problem and therefore a coordinated strategy is required which links a full range of agencies and services using various interventions.

Problems relating to the use of the alternatives to Selective Licensing can include the following:

- They are expensive and there is the • likelihood that some of the finance required would need to be collected from Council Tax. This seems unjust when many of the problems are caused by the lack of effective tenancy management. Selective Licensing will be self-financing, paid for by landlords.
- The use of Management Orders on all problematic properties would be neither appropriate nor feasible, given the number of properties. The Council must act in a proportionate manner and a heavy handed approach would undermine efforts to work with landlords to improve standards.

Selective Licensing provides an opportunity

to continue to forge partnerships with otherwise anonymous private landlords and provide training and support, where the use of these orders does not.

- Alternatives do not adequately tackle the private tenant's behaviour. This could result in the same "problem" tenant being left to float within an area without any real targeted tenancy enforcement and where required, supported tenancy referral. The proposed Selective Licence conditions include a requirement for the landlord to seek references when allocating the property and to deal with any complaints of anti-social behaviour from their tenants (and/or their visitors/children).
- None of these tools provides a long-term solution to the training of inexperienced landlords whose business would benefit, either because they are not fit, or because of their poor management arrangements.
- Whilst Selective Licensing is only to be used in areas where authorisation is sought and given, many private landlords have properties across the entire town and indeed across local authority borders. Therefore, improvements attained in management standards will have a trickledown effect and will benefit tenants and communities across wider areas.

CONSULTATION – OPPORTUNITIES TO ENGAGE & RESPOND

The consultation is being carried out over a 10 week period, and will be widely publicised using various channels of communication.

The consultation will start on 12 January 2015 and close on 23 March 2015.

Once the consultation has been completed the results will be published and made available to the local community.

The Council is required to consult with local residents, including tenants, landlords, managing agents and other members of the community who live or operate businesses or provide services within the proposed designation and those in the surrounding area which is shown on the map at Appendix 1.

Everyone who responds to this consultation will have their views fully considered. A comprehensive engagement and consultation process with partners, stakeholders and customers will include:

- Private landlords
- Private tenants
- Local communities
- Tenant and resident associations
- Landlord associations
- Citizens Advice Bureau
- Registered Social Landlords
- Local community committees
- Locally elected members
- Local businesses
- Middlesbrough Police
- Other Council service areas.

Methods of consultation

Consultation will be taking place using the following methods:

- Direct mail to landlords and residents.
- Direct mail to local community groups.
- Press release to local media/press.
- Information on Middlesbrough Council's website.
- Drop-in sessions for landlords, tenants, other residents, businesses and other agencies (details will be included in letters posted to all consultees).
- Email to all Ward Councillors.
- Email to all relevant Council service areas.

How to respond to the consultation

A questionnaire will be available to complete on the Council's website, a paper version of which can be downloaded from the website. It will also be available to collect from the receptions of the Civic Centre, Town Hall and Middlesbrough House.

All questionnaires and comments should be returned to: Housing Service, Middlesbrough Council, P.O. Box 504, Civic Centre, Middlesbrough, TS1 9FY.

If you would like any further information about the Selective Licensing proposals please contact: Michael Quinn, Principal Housing Needs & Enabling Officer.

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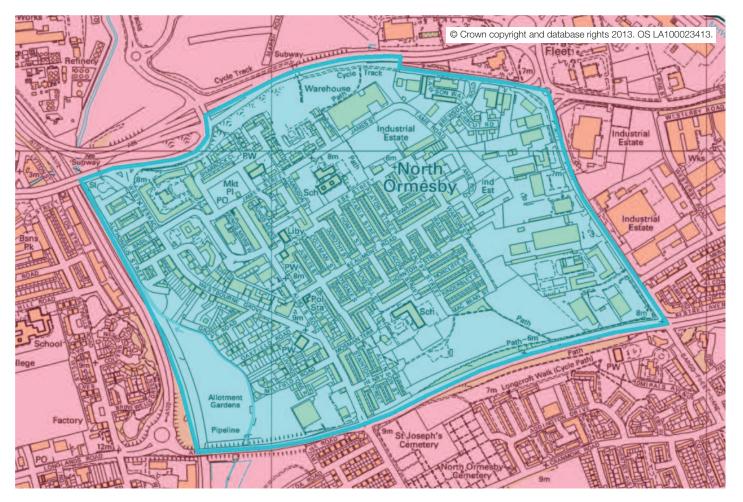
Proposal to re-designate North Ormesby Ward for Selective Landlord Licensing

Middlesbrough Council is considering re-designating a Selective Landlord Licensing scheme in North Ormesby ward.

The Selective Landlord Licensing scheme has been running in North Ormesby for almost 5 years, and has led to considerable improvements to the area. To build on these improvements, we would like to seek your views on the proposed re-designation of the scheme.

We are running a consultation to find out what residents, landlords, community groups, councillors, and local businesses think about this.

Please see the below map showing the designated area. To see specific street names please view the map online via www.middlesbrough.gov.uk/SLLconsultation



Please note that the Council will report on the outcome of the consultation, however, your personal details will not be published.





middlesbrough.gov.uk

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Section 1

About You

Name:								
Company name	Company name (if applicable):							
Address:								
			Postcode:					
Email address:								
S1:Q1 - Are you	aware of the cur	rent Selective Licensing scheme	? Yes	No				
S1:Q2 - Have yo	ou applied for a lic	cense under the current scheme	? Yes	No				
S1:Q3 - How m	uch do you know	about Selective Licensing, and w	hat services are	provided?				
Nothing at all	Not much	Neutral	Some	A lot				
S1:Q4 - Have ye	ou received any he	elp and support from the Selectiv	ve Licensing Tean	n about the following?				
Anti-social beh	aviour	Yes	No					
Tenancy suppo	rt	Yes	No					
Housing disrep	air	Yes	No					
Tenancy refere	ncing	Yes	No					
Advertising vacant properties Yes No								
Advice on legal issues Yes No								
(i.e. serving not	tice for eviction)							
		rovements in the area during the	e 5 years of the sc	heme?				

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S1:Q6 - Are you a:

Please select one:

Private Landlord in the proposed licensing zone
Managing/Letting Agent in proposed licensing zone
Business owner in proposed licensing zone
Private Tenant in proposed licensing zone
Owner occupier in proposed licensing zone
Social Landlord in proposed licensing zone
Social rented tenant in proposed licensing zone
Other interested party: (e.g. any of the above in other areas of Middlesbrough, or voluntary/statutory sector organisations)
Other

This consultation is in sections, please go the relevant section for you:

- Section 2: Questions for tenants/residents of the proposed licensing zone
- Section 3: Questions for Landlords of the proposed licensing zone
- Section 4: Questions for business in the proposed licensing zone
- Section 5: Questions for other interested parties e.g. tenants, residents, landlords & businesses in the consultation area surrounding the proposed licensing zone

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Section 6: Questions about the proposal (apply to everyone)

Section 2: Questions for tenants/residents of the proposed licensing zone

(If you are not a tenant/resident in the proposed licensing zone please skip to next section).

These questions seek your views on proposed licensing zone.

S2:Q1	- How long have you li	ved in the proposed licer	nsing zone?	
Less th	an a year	1 to 5 years	More than 5 years	
S2:Q2	- What type of proper	ty do you live in?		
	Terraced house			
	Semi-detached house	<u>)</u>		
	Detached house			
	Bungalow			
	Maisonette			
	Flat			
	Other			
	- How long do you inte an a year	end to remain living in pro 1 to 5 years	oposed licensing zone? More than 5 years	
	in the properties to a	good standard?	l by private landlords, how w	ell do you think they Very well
S2:Q5 Yes	- Overall, Do you think	a landlords act responsibly Don't know	y in letting, managing and ma	aintaining their properties?

S2:Q5b - Please provide details for your answer



S2:Q6 - Do you think that private landlords take appropriate action against tenants who cause a nuisance or anti-social behaviour?

'es	No	Don't know

S2:Q6b - Please provide details for your answer

S2:Q7 - Please tell us if you think the following are issues in proposed licensing zone.

The private rented sector	Yes	No	Don't know
Long-term empty properties	Yes	No	Don't know
Low house prices	Yes	No	Don't know
Households not staying for long, tenants coming and going	Yes	No	Don't know
Properties in substandard condition	Yes	No	Don't know
Anti-social behaviour	Yes	No	Don't know

Please go to Section 6

Section 3: Questions for Landlords of the proposed licensing zone

(If you are not a landlord in the proposed licensing zone please skip to next section).

These que	estions seek you	r views on propo	osed licensing z	one.			
S3:Q1 - Ho	ow many prope	rties do you own	or manage in t	the proposed li	icensing zone?		
1	2	3	4	5	More than 5		
S3:Q2 - Tł	ninking about pr	ivate rented pro	perties in the p	proposed licens	sing zone, how wel	l do you think other	
landlords	maintain their p	properties to a go	ood standard?				
Not well a	tall N	lot well	Neutral	Well	Very v	vell	
		assessed to be a set of the set o	Pag	e 269			- 4 74

S3:Q3 - Overall do you think other landlords in the proposed licensing zone act responsibly in letting, managing and maintaining their properties?

Yes	No	Don't know	
-----	----	------------	--

S3:Q3b - Please provide details for your answer

			_

S3:Q4 - Do you think that private landlords take appropriate action against tenants who cause a nuisance or anti-social behaviour?

Yes	No	Don't know	
-----	----	------------	--

S3:Q4b - Please provide details for your answer

S3:Q5 - Please tell us if you think the following are issues in the proposed licensing zone.

The private rented sector	Yes	No	Don't know
Long-term empty properties	Yes	No	Don't know
Low house prices	Yes	No	Don't know
Households not staying for long, tenants coming and going	Yes	No	Don't know
Properties in substandard condition	Yes	No	Don't know
Anti-social behaviour	Yes	No	Don't know

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S3:Q6 - Payment of the fee by instalments has been requested by some landlords in previous schemes. It is
proposed that Instalment arrangements could only be applied to the second part of the fee and terms would
be applied. To cover the cost of administering this, the Selective Licensing Team is proposing a fee of £100.
To what extent do you agree or disagree with this proposal?

Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
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Please go to Section 6

Section 4: Questions for businesses in the proposed licensing zone

(If you are not a business in the proposed licensing zone please skip to next section).

These questions seek your views on the proposed licensing zone.

S4:Q1 - What type of business are you? e.g. food outlet or newsagent.

	own or rent your business premises?
Own	Rent Lease
S4:Q3 - Have yo proposed licent	ou experienced anti-social behaviour from tenants of privately rented properties in the sing zone ?
Yes	No Don't know
	ng about properties in your area owned by private landlords, how well do you think they roperties to a good standard?
Not well at all	Not well Neutral Well Very well
54:Q5 - Do you responsible lan	think that the landlords in the proposed licensing zone where you have your business are goo Idlords?
Yes	No Don't know
S4:Q5b - Please	e provide details for your answer.

S4:Q6 - Do you think that landlords take appropriate action against tenants who cause nuisance or anti-social behaviour?

Yes	No	Don't know	

S4:Q6b - Please provide details for your answer.

S4:Q7 - Please tell us if you think the following are issues in the proposed licensing zone.

The private rented sector	Yes	No	Don't know	
Long-term empty properties	Yes	No	Don't know	
Low house prices	Yes	No	Don't know	
Households not staying for long, tenants coming and going	Yes	No	Don't know	
Properties in substandard condition	Yes	No	Don't know	
Anti-social behaviour	Yes	No	Don't know	

Please go to Section 6

Section 5: Questions for other interested parties e.g. tenants, residents, landlords & businesses in the consultation area surrounding the proposed licensing zone

These questions seek your views on the proposed licensing zone.

S5:Q1 - Thinking about private rented properties in the proposed licensing zone, how well do you think other landlords maintain their properties to a good standard?

Not well at all	Not well	Neutral	Well	Very well

S5:Q2 - Overall, do you think that landlords in the proposed licensing zone act responsibly in letting, managing and maintaining their properties?

Yes	No	Don't know	
		Page 272	1 海草市

S5:Q3 - Do you think that private landlords take appropriate action against tenants who cause a nuisance or anti-social behaviour?

S5:Q3b - Please provide details for your answer.

S5:Q4 - Please tell us if you think the following are issues in the proposed licensing zone.

The private rented sector	Yes	No	Don't know
Long-term empty properties	Yes	No	Don't know
Low house prices	Yes	No	Don't know
Households not staying for long, tenants coming and going	Yes	No	Don't know
Properties in substandard condition	Yes	No	Don't know
Anti-social behaviour	Yes	No	Don't know

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4 4 14

Section 6: Questions about the proposal (apply to everyone)

These questions seek your views on the proposal to designate the proposed licensing zone as an area for Selective Landlord Licensing.

Having read the proposal for the proposed licensing zone:

S6:Q1 - To what extent do you agree or disagree that the Selective Landlord Licensing of landlords would help to tackle some of the issues in the proposed licensing zone?

Strongly disagree	Disagree	Neutral	Agree	Strongly agree
S6:Q2 - The Council is pro evidence/identification, t		•••		
Yes No	Don't know			

S6:Q2b - If you have answered "No", please provide details for your answer.

S6:Q3 - To what extent do you agree or disagree with the proposed License conditions that landlords will need to meet?

Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
S6:Q4 - To what extent do yo with license conditions?	ou agree or disagree wi	th the programme of	inspections to che	eck compliance		
Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
S6:Q5 - To what extent do you agree or disagree with the Tenancy Relations support that will compliment licensing and help provide help/assistance to tenants where they need it?						
Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
	Pag	ge-274				

S6:Q6 - Do you think that landlords should be penalised if they are late applying and the local authority has incurred costs locating them?

Yes	No	Don't know	

S6:Q6b - Please provide details for your answer.

S6:Q7 - If you have any further comments regarding the proposal to introduce Selective Landlord Licensing in proposed licensing zone, please make them below:



4 4 4 4 4

**

Equality Monitoring

We want to make sure that all our services are delivered fairly. We are therefore asking you the following questions so that we can make sure that services meet everyone's needs where reasonable and practicable.

You do not have to answer these questions but by answering these questions you will help us to ensure that our services are fair and accessible to all.

The information you provide will be kept confidential.

We will use your answers to pull together statistical information that the Council will use to check the fairness of our services. Results of this anonymised monitoring information will be shared within the Council, however individuals will never be identified.

Gender

Are you male or female?
Male
Female
Prefer not to say
Is your gender the same now as it was when it was assigned

r gender the same now as it was when it was assigned at birth?

Yes	
No	
D (

Prefer not to say

Age

Please indicate which of these age bands you fit into?



Disability

Do you consider yourself to be a person with a disability?

(Under the Equality Act 2010 a person is disabled if they have a physical or mental impairment which has a substantial and long term adverse effect on their ability to carry out normal day to day activities)

Yes
No
Prefer not to say

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Ethnicity

To which of these groups do you consider you belong?

British	Irish
Gypsy or Irish Traveller	Any other White background
Caribbean	African
Any other Black background	Indian
Pakistani	Bangladeshi
Chinese	Any other Asian background
White and Black Caribbean	White and Black African
White and Asian	Any other Mixed background
Arab	Any other background
Prefer not to say	

If you have selected an "Any other" ethnic group, please provide details below:

Religion or Belief What is your religion or belief? Christianity Islam Sikhism Humanism Judaism Buddhism No religion Prefer not to say Other (please state)

Sexual Orientation

What is your sexual orientation/sexuality?

Heterosexual or straight	Gay/Lesbian
Bisexual	Prefer not to say

If you want to know more about the information the Authority holds about you, or the way the Authority uses that information please contact the: Data Protection Officer, PO Box 503, Town Hall, Middlesbrough, TS1 9FX. Middlesbrough Council is the Data Controller for the purposes of the Data Protection Act.

Thank you for taking the time to complete this survey, your views are important to us.

You can find out more about this consultation or complete the survey online via: www.middlesbrough.gov.uk/SLLconsultation

Please submit your completed questionnaires, free of charge to: SLL North Ormesby, Freepost RTBT-CHET-UAZK, Middlesbrough Council, Civic Centre, Middlesbrough TS1 2RH

Please note that the consultation period closes on **Monday 7 December 2020, 12 Noon** and any responses received after this date will not be taken into consideration.

If you have any queries or require this information in an alternative language or format please email licensing_consultation@middlesbrough.gov.uk or call 01642 728100.

Details of Middlesbrough Council's Consultation Privacy Notice is available online via www.middlesbrough.gov.uk/consultationsprivacy

Details of Middlesbrough Council's Equality Monitoring Privacy Notice is available online via **www.middlesbrough.gov.uk/equalityprivacy**

Requests for information should be made via the relevant channels and not via this survey, as these are for comments only. Further guidance is available online via **www.middlesbrough.gov.uk/foi**

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APPENDIX D.

E-mail and Telephone Objections, Questions and Responses to North Ormesby SLL Consultation

Please note: The SLL e-mail inbox had the following automated response: Thank you for taking the time to respond to the Selective Landlord Licensing consultation, your comments have been recorded. Please note further information can be found on the website: <u>https://www.middlesbrough.gov.uk/SLLconsultation</u>. Your views can also be shared by completing the online questionnaire at: <u>https://arcg.is/n4zT</u>

Ref No /Type of response	Summary of Response	Response from the Selective Licensing Team
1/question from tenant	Mr T rang to state he has received the Consultation letter and asked what information we would like from him	Advised we would send a questionaire out to him via post as he does not have email
2/response from landlord	Ms C explained she has received the Consultation letter and stated the property is currently empty and being renovated and once completed will be selling the property and will not be renting again in the future	Advised Ms C we will update our records with this information and to contact the team once sold so we can keep our records up to date
3/objection from landlord	Mr P phoned, he stated he thought there was a current scheme in North Ormesby, he stated it was a big con as he had only just applied for licenses last year, and there was no point completing a questionnaire.	Advised Mr P the current scheme comes to an end 31st December 2020, so the consultation is to look at re-designating the scheme. We explained the new scheme would be for a 5 year period and his current licenses would expire 31st December 2020. We asked Mr P to complete the questionnaire for his views, he stated there was no point and it was a big con.
4/objection from landlord	Ms D called to state she has received the consultation letter, she said she has never heard of this scheme and did not apply for the scheme that is currently running as she did not know about it. She enquired about the scheme, what it	We advised Ms D the cost of the scheme, the benefits (referencing, inspections, dedicated team etc). We informed Ms D of the exemptions (empty, family members, long term tenancies over 21 years) we stated we would sent her an email with more information for her to read.

	is, how much it is, what the benefits are. Ms D was not happy about this scheme as she stated her tenants are friends of theirs and none of the benefits will benefit her, she asked if there is any exemptions.	
5/objection from landlord	The licensing is a disgrace and a taxation, a scheme has already been in force and the crime hasn't gone down, would like to see the data. House prices have not went up. The licence fees are outrageous, about the highest in the country and the area is of the lowest house values. They should produce all data to show it has worked. Disgraceful the way they are taking money from people, and the rents have gone down not up. Would like to see a report of all data from all similar wards which doesn't have licensing, including a base line over an entire period for which it has been running. Including house prices.	We agreed to send the evaluation report of current scheme. We emailed the link to the consultation website which included the proposal document for North Ormesby consultation and evaluation from current scheme, we informed if he requires any further in depth information/data figures that are not shown on the website that he can submit a freedom of information request.
6/objection from landlord Also completed online proforma	Mr W called as he has just recently bought 76 Kings Road a couple months ago, he has just found out about the scheme and was unaware when he bought the property as no one informed him of it. He asked about, benefits, what the scheme is, cost, referencing, requirements he has to meet, he asked if it is hard to get tenants in this area.	We informed Mr W that we would send him an email with the link to the website for more information. Answered his questions re cost, referencing and informed him of the property guide, inspections, dedicated team and liaisons. Second SLL Response: Good Afternoon Mr W, We have spoken to Middlesbrough Council legal department and they have advised that the selective licensing scheme was on the Council???s website, unfortunately we are unable to give you advice about whether you can pursue your solicitor and advise you must get your own advice on that point.

	Second Response: Dear Faye, Thank you for the information. I am absolutely appalled that something as relevant as this has not been communicated to me at any stage of the purchase by the vendor's Estate Agent, the vendor, my Surveyor or my Solicitor. I despair at the state of ethics in business now. Nowhere is it clear who's responsibility it is (if anyone's). There is no way on earth that I would have invested in North Ormesby had I have known about how many hoops a landlord needs to jump through to get something let. Yet again, decent people are being penalised for unscrupulous slum landlords and tenants. Why are the Government or local councils not picking up the tab instead of charging landlords the best part of ??1,000. I bought this property as I have no decent pension provision and now I face this rubbish. I will be writing to my MP. To say this scheme and the situation I find myself in is scandalous is an understatement. If you dealt with slum landlords properly, you wouldn't need a scheme primarily funded by decent honest landlords. It's a complete and utter disgrace.	
7/question from landlord	Mr M called and stated he is currently stuck abroad and he has recently been told about the consultation letter we sent to him.	Informed Mr M we would send him an email with the link to Middlesbrough Council Website on and the Questionnaire.
8/support from owner occupier in	I would like to give my views regarding the upcoming SSL consultation for North Ormesby, I believe that the area needs to keep this service	Thank you Mr H, your comments have been recorded.

North	as many houses fall way below the standard	
Ormesby	required by law, many tenants are living in	
Also	dreadful conditions. Many Landlords neglect the	
completed	properties they lease and do not carry out even	
online	some basic repairs as a result many houses fall	
proforma	empty, over 200 houses are empty in the area	
•	with more becoming vacant on a regular basis.	
	We need to retain SSL and they need to take a	
	firmer line with rogue landlords many of who	
	have boarded up and dangerous houses in this	
	area, North Ormesby was once a decent	
	community but has been slowly destroyed by	
	property speculators and rogue landlords and is	
	recognised as one of the most deprived areas in	
	the country. Mr H	
9/question	Good morning. I hope you had a good	Good Morning, Thank you for your e-mail. The current scheme
from landlord	weekend. I have received this email so I	in North Ormesby comes to an end on 31st December 2020. If
	presume the last Selective has come to an end	you would like further information on the outcomes of the current
	and they want to Re new it and probably	scheme and proposals going forward, these can be found at
	increase the costs!! I was just wondering if they	https://www.middlesbrough.gov.uk/SLLconsultation.
	have any details or stats to show that the	
	previous Selective had any positive effects? P	
10/objection	OMG When everyone is really struggling	No response given
from landlord		
11/question	Can you please forward me the questionnaire	SLL Response: Good afternoon Mr M. The questionnaire is
from landlord	that was mentioned in the letter you sent to me	available to complete online at:
<mark>Also</mark>	so I can complete it and send my thought back	https://www.middlesbrough.gov.uk/SLLconsultation
completed	to you? Mr M	
online		
<mark>proforma</mark>		

12/question from managing agent	Morning I've received a letter regarding proposal of licensing in North Ormebsy. The area is already in the Licensing Area? Thanks E	Good afternoon E. The current North Ormesby scheme designation ends on 31st December 2020, as designations are for a maximum of 5 years. The consultation is to gather views on the re-designation of the North Ormesby area for a further 5 year scheme.
13/question from landlord	I believe I already paid for their some years ago? I paid £500 to the council as part of SLL scheme. I unfortunately have a house I bought for over the odds £££ before the economic crash and I'm now stuck with it. Since then, I've had a couple Tenants who haven't paid a penny leaving me out of pocket as the rent doesn't actually cover mortgage payments and insurance I pay on the house so if I was to pay anymore to the council then Couldn't physically afford it. As well as keeping check on gad fires, boiler etc. I it wouldn't be viable for me to do anymore. The government rules have changed now so tenants can now just say "not paying" and we have to wait 6 months to start the process of getting them out all whilst they still get their benefits. I know a couple people in same boat at the moment though I'm lucky my current person pays but I have mentally and physically been ill in previous years and suffered with a "genuine" on paper and word of mouth tenant who then decided not to pay. As a lone female I couldn't challenge any anti social behaviour from the property. Damage has been caused to it in previous years and I have lost lots of sleep over the house. Sometimes I wonder	Good afternoon Thank you for taking the time to respond to the consultation, your comments have been recorded. To try and answer a few questions within your response. I believe I already paid for their some years ago? - The licence you applied for previously was for the current scheme which ends on 31st December 2020, the current scheme ran for a 5 year period from 1st January 2016 to 31st December 2020. I've had a couple Tenants who haven't paid a penny leaving me out of pocket, damage to property and tenants just don't care – Middlesbrough Council offer a FREE tenancy referencing service which has been promoted to all landlords throughout the life of the scheme. Benefits of membership are: •Assistance from Tenancy Relation Officers in completing application forms where necessary •Two stage robust referencing service for potential tenants (find out more below) •A dedicated team to support landlords through the letting process •Support from the Neighbourhood Safety Team to help tackle tenants responsible for anti-social behaviour and breaches of the tenancy agreement •Representation at a multi-agency forum that exchanges information on nuisance and harassment Types of referencing: Basic ASB check and current tenancy check reference - returned within 1 to 2 days

ji c s v r c	why I actually pay my mortgage as some tenants ust don't care. If it's going to cost more than it does now It's not worth getting involved in any scheme. It's a deprived area and I will never get what I paid for the house. I just hope and pray I eent it to the correct people but as said, they can change their mind and we are at a loss. No scheme can help that situation.	 •We will check for any reports of anti-social behaviour (ASB), noise nuisance, property damage, property breaches, environmental health issues, and police intelligence, relating to the applicant, their dependents, or the person making the tenancy application, or against any addresses linked to the applicant. Previous 3 year reference - returned within 3 to 5 days •We will check the tenant's housing history for the past two years using our records, our partner's records, and those of any current and previous landlords. These records may include, but not be limited to, any complaints of anti-social behaviour (ASB), domestic violence, rent arrears, damage to property, abandonment of property, breach of tenancy conditions, court orders, housing benefit information, environmental health actions/enforcement actions, police intelligence, illegal use of property, and / or criminal behaviour which is deemed to be relevant to tenancy management. If the applicant/s have lived out of the area, or within any other local authority, an ASB check is conducted with the local authority. Middlesbrough Tenancy Referencing Service does not carry out criminal record checks. Sign up: You can complete the landlord membership form online. If you have any queries about the Tenancy Referencing Service please contact the Selective Landlord Licensing Team on 01642 728100. Request a referencing check You can complete the tenant application form online. If you have any queries about the Tenancy Referencing Service please contact the Selective Landlord Licensing Team on 01642 728100. As a lone female I couldn't challenge any anti-social behaviour
		As a lone female I couldn't challenge any anti-social behaviour from the property – As well as the referencing mentioned above,

		we also have two dedicated Neighbourhood Safety Officers attached to the scheme to deal with issues relating to Anti-social behaviour, should you need to report any anti-social behaviour please contact them on Tel: 01642 728100. Second Response: Response from Mrs B - That's great. Thank you for the update. I work and having the house is a pin to be honest but knowing this I formation is very helpful. My current tenant is a diamond in comparison to others that have caused a lot of heart ache, stress and sleep nights. Thank you kindly for responding.
14/objection from Newport landlord	I think it more about revenue for the council rather than standard of properties to rent . If it was not about revenue then wether the landlord owns 1 or 50 properties The fee should be the same after all wether 1 or 50 owned the buck still lies With the same landlord ! Sent from Mr I.	Automated response given.
15/objection from Newport landlord	Hello, I'm sorry but I thought we were already licensed as we have had to pay for the privilege last year? When we bought the house we were told by the council that they were going to regenerate the area. Instead we have to pay a fee to be a responsible landlord. We own and rent out XXXXXXXXXXXXXXXXX. We have done responsibly and decently since we bought it. Feel really let down by the council! S.	SLL Response: Good morning Mr L. Thank you for taking the time to respond to the consultation, your comments have been recorded. Just to confirm the consultation is in relation to the redesignation of the North Ormesby scheme which ends on 31st December 2020.
16/objection from landlord	As far as I am concerned it's about the council.making money for doing nothing. You don't stop people riding motor bikes up and down roads unlicensed you don't stop	SLL Response: Thank you for taking the time to respond to the Selective Landlord Licensing consultation, your comments have been recorded. Please note further information can be found on the website at:

	antisocial behaviour you don't stop people selling drugs you don't help landlords it's a money making scheme that does very little for the landlord but contributes to giving jobs to people that don't follow through complaints from those that have not contributed to the scheme. This scheme is nothing but Big brother earning substantial monies for doing very little in return. You do the talk but can't do the walk! I'm so please I managed to sell my property albeit at a big loss as the area is a s##t hole which is and has been neglected by the council wher the council is happy to send the dregs. What was once a lovely community is now an area most want to avoid. Not impressed with your record or the support you give to landlords. Easy money. Rant over. Regards Mr G.	https://www.middlesbrough.gov.uk/SLLconsultation. Your views can also be shared by completing the online questionnaire at: https://arcg.is/n4zT.
17/question from Outreach and prevention charity	Hi With regard to the consultation around North Ormesby and Selective Licensing. Is there information available to demonstrate what positive difference the current selective licensing project has made in the past 5 years? I am interested in number of properties in the scheme, no of incidents of landlords breaching contract, number of tenants engaged in ASB or other activity leading to evictions compared to before selective licensing was in place. Additionally a quick look at Cleveland police stats states that in Aug 2020 there were 33 crimes per 1000 residents in North Ormesby compared to 10 in 1000 for the whole force.	SLL Response: Good morning. The information you require can be found in the current scheme evaluation report. Please go to: https://www.middlesbrough.gov.uk/SLLconsultation (downloads section).

	Additionally there were 824 street level crime incidents in July 2020 in North Ormesby, 273 were violent crime and 237 ASB – how does this compare to 5 years ago? Has there been a reduction in reported incidents from private rented properties compared to 6 years ago? How does the SL project measure success? Thanks SW.	
18/question from landlord	Hello I'm just emailing to check about my selective licensing status as I've had a letter about new negotiations for licensing in North Ormesby. I won't have to pay anything as I'm already a member is that correct. I await confirmation thanks. Second Question: Hello thanks for replying we joined the scheme in 2017 so does that mean we still have another two years in it if it is renewed after negotiations.	 SLL Response: Good morning, The Selective Licensing Scheme comes to an end on 31st December 2020 as each scheme runs for a maximum of 5 years (from 1st December 2015 – 31st December 2020, or from when you apply for a license). For a second scheme to be designated it requires a 10 week consultation period, if you have an queries please email licensing_consultation@middlesbrough.gov.uk , there is also a questionnaire on the Middlesbrough Council website for you to complete. SLL Second Response: Good afternoon, every license expires on 31st December 2020 no matter when an application was made. If the scheme is re-designated all privately rented properties would need to be applied for.
19/objection from landlord	Middlesbrough Council. before the licencing started our two properties were worth approx £45/£48000 6 months later when we tried selling the properties besides other landlords from out the area not wanting them because of the licencing local landlords were putting offers in for £20/£30000 which is a decrease of £18000/£28000. Even now when properties have increased in price in other areas landlords	SLL Response: Automated response sent.

	are putting offers in for the price stated. Other Landlords keep stating { We do not pay more with it being a licence Area because of the extra costs incurred } we revamped one of the properties to try and increase the value but it made no difference. Listed below is the problems that are still happening before it came in and new problems after it came in. 1 Still have Antisocial behaviour from other tenants 2 Still having properties getting broken into. 3 properties being empty longer { new } 4 not being able to move properties on as easy { selling } { new } 5 A big decrease in the value of properties. { new } One of the properties is empty as we have decided not to carry on renting it and to sell it without much success, which we will do with the other when the tenant moves out. I have attached a letter for your viewing we received of one company who we tried selling to which gives you an indication.	
20/objection from landlord Also completed online proforma	With regard to your recent e-mail detailing Landlord Licensing re-designation proposals in North Ormesby, as an affected landlord I wish to raise objections to the proposals. I understand why the scheme was needed and subsqueently introduced however it was brought in to cover the whole of North Ormesby and did not take into account individual areas. At the time I was	Automated response.

told that this was a standard policy however the	
below information demonstrates that this is	
clearly not the case when it comes to re-	
designation. The new build section behind the	
Market Place (Conyers Way etc) is completely	
different in make up, character and occupancy to	
that around the Beaumont Road area and as	
such I believe should be treated differently. The	
ministry of Housing, Communities and Local	
Government Report 2019 Article 10.10 states -	
(review of the use and effectiveness of selective	
licensing). 'However, the point was made by	
others that after five years, even if a given	
problem is still present (albeit at a lower level), it	
may be that the overall situation has changed. If,	
for example, evidence no longer supported a	
certain portion of the original area of designation	
being re-designated, then the designation	
boundary should be redrawn, requiring	
consultation. Similarly, it may be that in the	
intervening five-year period a different area(s) of	
the authority may have become more	
appropriate for designation, or that local	
circumstances had changed such that licensing	
was no longer the most appropriate strategy in	
the original designation. These and similar	
scenarios were offered as a justification for	
review and consultation after five years.' I would	
therefore ask you to consider having the	
boundary redrawn to exclude the area that I am	
refering to (Conyers Way, James Street, Kildale	
Court, Orme Court, Saxon Court etc). In this	

ministry of Housing, Communities and Local Government Report 2019 Article 10.10). Kind regards Mr B. With Reconstruction of the area special reasons for not doing so. 48. The consultation should be informative, clear and to the point, so the proposal is readily understood. It should inform local residents, landlords, letting agents and businesses about	issue finding or retaining example one of mine has the property was built in of moving. I have sough am in the process of cor landlords involved to gai information requested. If comments and I will be to further response soon. F On the 1st October 2020 consultation inbox outlin proposals to re-designat Ormesby for Selective L received an automated r receipt of my email but r can you clarify the proce consultation has ended a whether I will have the o grounds for my objectior ministry of Housing, Cor	been around the estate ould not see an empty with my experience over otally negates the 'low rea. I have never had an tenants and as an s been resident since 2012 with no intention t initial legal advice and tacting the 26 private n the necessary would welcome your back in touch with a tegards Mr B. I sent an email to the ing my objections to the e the whole of North censing from 2021. I eply to acknowledge othing further. Please ss once the 10 week as I am keen to know portunity to present the in person. (The nmunities and Local	48. The consultation should be informative, clear and to the point, so the proposal is readily understood. It should inform
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		the proposed designation, giving the reasons for proposing it, why alternative remedies are insufficient, demonstrating how it will tackle specific problems together with other specified measures, and describing the proposed outcome of the designation. It should also set out the proposed fee structure and level of fees the authority is minded to charge (if any). Consultees should be invited to give their views, and these should all be considered and responded to. 49. Once the consultation has been completed the results should then be published and made available to the local community. This should be in the form of a summary of the responses received and should demonstrate how these have either been acted on or not, giving reasons. Your objections to the proposal set out in your previous e-mail will be considered along with all responses to the consultation as set out in no 49 above. We would also advise if you have not already done so to submit your response using the online questionnaire <u>https://arcg.is/n4zT</u> Third Response: Hi Louise, Thank you for your response set out below. Having read several reports surrounding Selective Licensing I was aware of the process but was seeking re- assurance that my emails were being read. I'm currently in the process of contacting other landlords with properties on the keepmoat estate and have submitted a number of freedom of information requests in line with the consultation process. Once this is complete I will send further communication. Regards Mr B.
21/objection from landlord	Good Morning. I am sorry to have to write this email but having received your suggestion that you intend to re-selective license the North Ormesby area, this time I am going to object	Good morning Mr A. Thank you for your response, comments which have been recorded. In regard to the questions you pose in relation to the previous scheme performance, I would direct you to look at the current

 quite vehemently to the same and if necessary take the matter to Court. Before I can fully lodge my objections I require you to supply me with th following- 1. The number of all anti-social behaviour difficulties that have been experienced in this area in the last 5 years, year by year 2. The names and addresses of all the Landlords in this area or if you are not able to do this confirmation that a copy of my letter of objection will be sent to them once drafted. 3. The number of actions you have taken against Landlords regarding breach of their Selective License in that area, again on a year by year basis. 4. The number of notices you have served on Landlords in respect of breach of their selective licenses, again on a year by year basis. I quite understood your initial action to selectively license the North Ormesby area particularly because of the malpractice of one particular Landlord. However as I understand it many of those properties have now been purchased by other Landlords and whilst I accept that in the first couple of years of the selective license issued against them (because you sent me details of Court cases in this regard) is my belief that as a result of your action and the successful selective licensing of the area the number of anti-social 	e consultation-evaluation-report.pdf Unfortunately due to GDPR I am unable to provide you with the names and addresses of landlords in the area, however details of all licensed landlords can be found on the public access property register at: https://www.middlesbrough.gov.uk/planning- and-housing/landlord-and-tenant-support/selective-landlord- licensing-scheme. Similarly under GDPR we would be unable to share your letter with landlords as we do not have their consent for their personal data to be used for this purpose.
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incidents and Landlords breaches would have diminished on a annual basis. The only basis upon which you can re-selective license this area is if there is evidence of substantial anti-social behaviour or Landlord breaches in the RECENT PAST not those that happened 3 or 4 years ago. You will be aware I am a retired Lawyer an I have some knowledge of this area and will be in consultation with the National Landlords Association for further help. You simply cannot re-selectively license an area unless there are good grounds for doing so because as I see it , it is simply a money making exercise for Middlesbrough Borough Council. To have to pay a further £700 odd pounds for a license for each of my properties for the next 5 years is utterly ludicrous and if you decide to re- selectively license the area I will bring a class action on behalf of all Landlords who wish to participate against the Council seeking an order restraining your action. I am not an aggressive individual but I was incensed by your emails bearing in mind that fact that I and many others have been reasonable Landlords trying to look after properties property and maintaining social order	
I am not an aggressive individual but I was incensed by your emails bearing in mind that fact that I and many others have been	

	I have high regard for your staff and have no wish to fall out in this matter. In the words of my secretary "this is ridiculous". Many thanks Mr A Second Response: Good afternoon. I note that I still await hearing from you in respect of my email of the 1 st October. I appreciate that we cannot meet in these terrible times but I should like to have a facetime meeting with, shall we say next Thursday 12 th November at 10.00am to endeavour to resolve this matter. I also note that I still await receiving the documentation listed in my correspondence. I believe I am entitled to the same as it is not protected by privacy of the information law. I enclose a copy of the email of the 1 st October for your attention. Thanks Mr A.	Good afternoon Mr A. A response was sent you from the consultation inbox on Friday 2 nd October, please see below: From: licensing_consultation Sent: Friday, 02 October 2020 11:02 To: Subject: RE: Proposal to re designate North Ormesby ward for Selective Landlord Licensing Good morning Mr A, Thank you for your response, comments which have been recorded. In regard to the questions you pose in relation to the previous scheme performance, I would direct you to look at the current North Ormesby scheme evaluation which can be found at: https://www.middlesbrough.gov.uk/sites/default/files/SLL- consultation-evaluation-report.pdf Unfortunately due to GDPR I am unable to provide you with the names and addresses of landlords in the area, however details of all licensed landlords can be found on the public access property register at: https://www.middlesbrough.gov.uk/planning- and-housing/landlord-and-tenant-support/selective-landlord- licensing-scheme. Similarly under GDPR we would be unable to share your letter with landlords as we do not have their consent for their personal data to be used for this purpose.
22/support from Trinity Church	I am the Honorary Secretary of the Parochial Church Council for Holy Trinity Church North Ormesby.	SLL Response : Good morning, many thanks for responding to the consultation, your comments will be noted. Just to advise we currently have a Selective licensing scheme in North

	I have been unable to connect with the questionnaire regarding this issue, but would like to express the interest of the Church officers and congregation on this matter. We are in agreement that this proposal should be adopted and look forward to the outcome of the consultation after the 7 th December 2020. I would just add that this is something that was proposed and had been attempted in North Ormesby some years ago, but did not come to fruition, mainly I believe because several existing landlords did not agree with the what would have been the requirements. We know that the N.O.N.D.e.T organisation in North Ormesby is already licensed as a Selective Landlord, and hope that the proposal will be successful and inclusive in this area.	Ormesby which started on 1st January 2016 and ends on 31st December 2020. The consultation is to seek views on re- designating the area.
23/objection from landlord	Dear Sir, I have owned properties in this area for a number of years. Since the selective licensing was put in place I have noticed that there has been no improvements in the area, if anything I have noticed that there are more unoccupied properties which have cost me as a landlord as this has devalued properties further within the landlord licensing area. In my opinion tenants should be held accountable for their actions, such as not paying rent or causing damage to property or behaving in criminal or anti social behaviour. It feels as though I am being penalised by paying money to selective licensing by not getting the support I need from the	Automated Response

	council. It would be interesting to know what action has been taken against tenants if any over the past five years since the scheme has been put in place. I contacted selective licensing when I had concerns that one of my properties was being used for criminal activity. I tried to gain access to the property however I noticed that the locks had been changed. The next door neighbour alerted me to that fact that she was unhappy with what was going on next door. Selective licensing never supported me with my concerns and told me that this was a private civil matter which was nothing to do with them and that there was nothing they could do to help. As a responsible landlord I ensure that my tenants are supported and that their health and wellbeing are considered, on occasion I go above and beyond in the support which I offer to my tenants. In my opinion I feel as though I am being penalised for the behaviour of tenants and possibly other landlords in the area which is out of our control.	
24/objection from National Residential Landlords Association	Dear Sir or Madam, Please find enclosed the NRLA's formal response to the council's selective licensing consultation proposal. If you require any further information, please do not hesitate to get in touch. Yours sincerely, National Residential Landlords Association. Primarily they presented concerns regarding •Waste Management in tenancies •Additional fee for licence payment instalments.	 Waste Management in tenancies – Middlesbrough Council are currently considering an approach to support tenants and landlords with excess waste at the end of a tenancy. Additional fee for licence payment instalments. The additional payment of £100 for instalment arrangements is considered to be part of the licence fee. Crime and anti-social behaviour. Through the funding for the scheme there will be a dedicated Neighbourhood Safety Officer for the North Ormesby area to tackle these matters. In addition,

	•Crime and anti-social behaviour. As well as an overall objection to the proposed SLL scheme.	existing legal powers will be utilised alongside the Selective Licensing powers.
25/support from Middlesbrough Council Councilors (5 individual e- mails received)	 Councilor Responses: I believe it is time the whole town was included in that. Frankly, I'd like selective land lord licensing to be across Middlesbrough. Always in favour of controlling private rented landlords. Too many not responsible in my view (some in my ward) so support what you are doing. I would hope that the above be kept in North Ormesby. When I was Chair of Cultures and Communities, we had regular updates from Louise Kelly and her team. The issues that were coming out were atrocious and with the help from the team, those issues were gradually rectified. Residents need a decent home to live in, surely this is their right. Some of those properties were in a terrible state. I can remember one not having a staircase to the upper floor. If we withdraw this vital service, the ward will revert back to the way it was before 2016, like Gresham ward , in the past and all that vital money that was spent will have been for nothing. I would like to see the Selective landlord service running alongside the Integrated enforcement team that has just been set up in the ward and the same in Newport 	

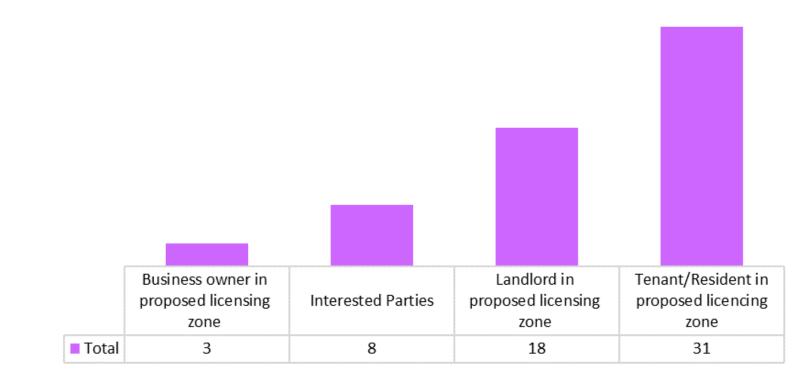
 ward. When Chair of the Cultures & Communities scrutiny, what did come out from all members was that we all wanted Selective landlord licensing rolled out in to our wards. We know this will not happen as wards have to fit the criteria and is subject to funding, of which we don't have. These are my thoughts and I hope we can keep Selective licensing in North Ormesby ward and, in time introduce it in to other wards of Middlesbrough. Thank you for taking the time to read this. Hi, I think the landlord licensing scheme has been a success and should be built upon and spread to different areas of the town where there are issues with bad landlords and tenants could be helped via 	
the scheme.	

Selective Landlord Licencing Consultation Responses 7th December 2020

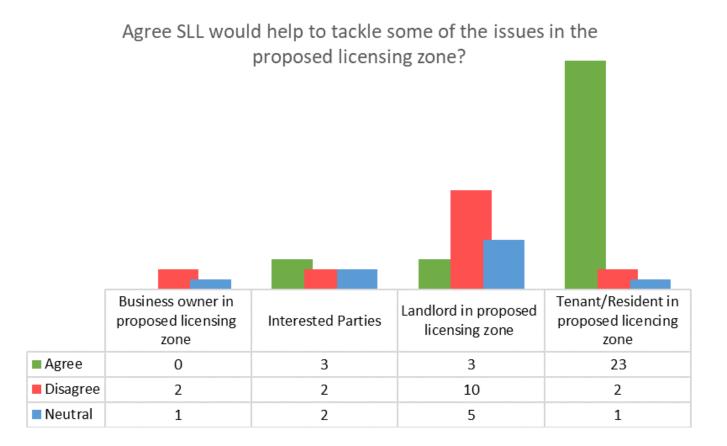
Appendix





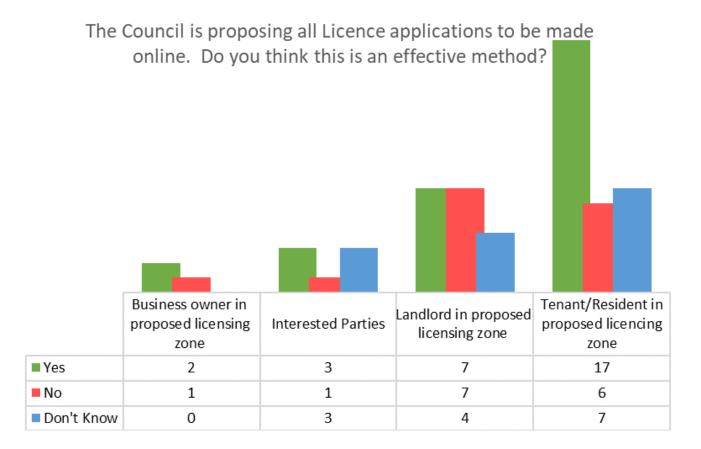


NOTE – there were only 60 responses to the questionnaire. Consequently, percentage splits within some groups may be of limited value.



• 54% of all respondents believe SLL will help to tackle issues in the proposed licencing zone

- 88% of responses from tenants/residents agreed with this statement
- 56% of responses from landlords in the proposed zone disagreed with this statement

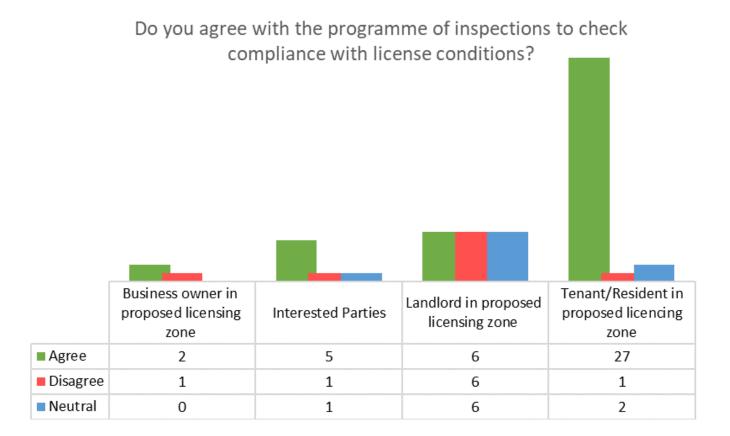


- Only 26% of respondents disagreed with this statement
- There was no clear preference from landlords although only 39% disagreed

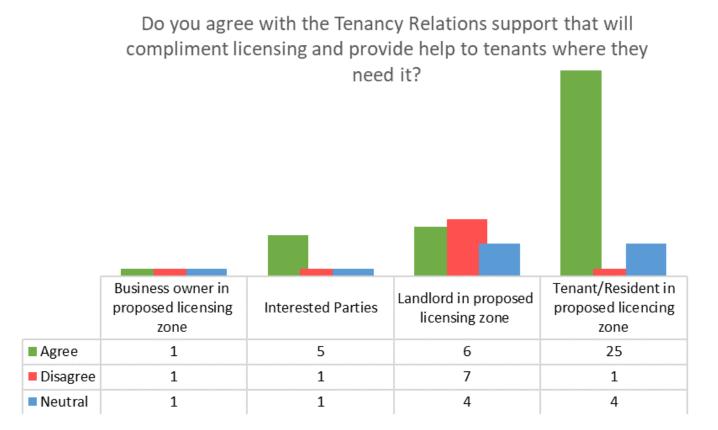
Do you agree with the proposed License conditions that landlords will need to meet?



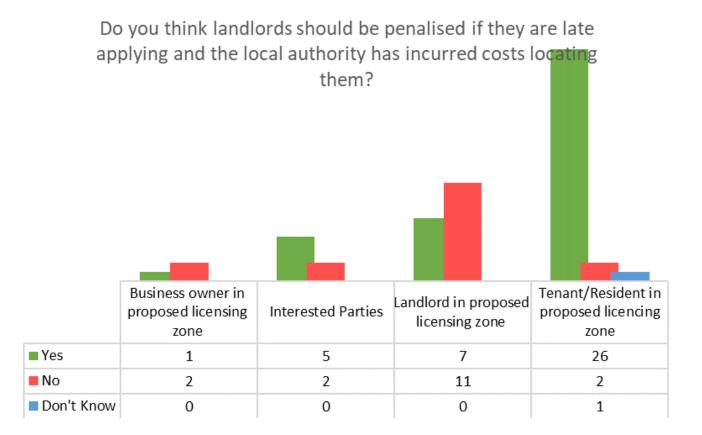
- 57% of all respondents were in favour of the proposed licence conditions
- 87% of tenants and residents were in favour
- Landlords were generally against the proposed conditions with 56% disagreeing



- 69% of all respondents agreed with the proposed programme of inspections
- 90% of tenants and residents were in favour
- There was no clear indication in favour or against from Landlords



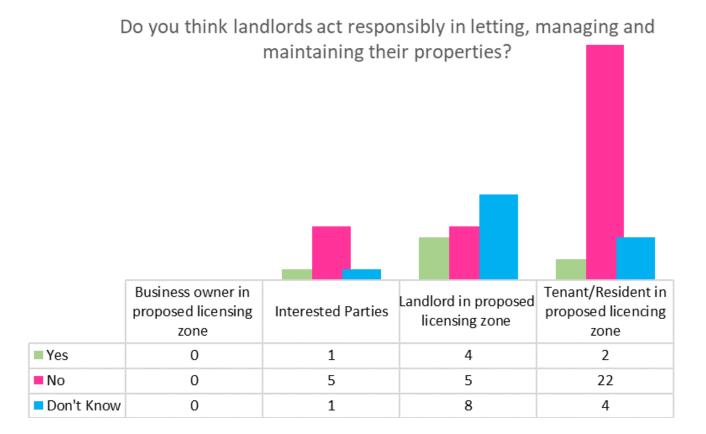
- 65% of all respondents were in favour of the proposed Tenancy Relations support
- 83% of tenants and residents were in favour
- There was no clear indication in favour or against from Landlords with only 1 more disagreeing



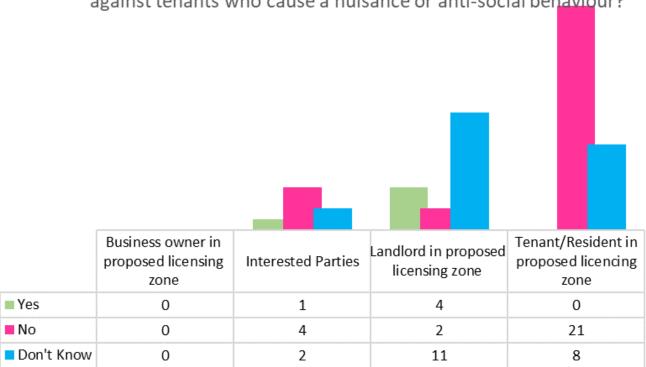
- 68% of all respondents agreed that landlords should be penalised for late applications where the local authority had incurred costs locating them
- 90% of tenants and residents were in favour
- While 11 out of 18 responses from landlords were against this, 7 were in favour



- 49% of all respondents did not agree that private landlords maintained their properties
- 49% of all respondents did not agree that private landlords maintained their properties to a good standard; for tenants and residents this was 72%
- Only 16% of all respondents agreed with this statement, with 35% neutral
- For landlords, only 24% agreed with this statement, with 65% not expressing an opinion

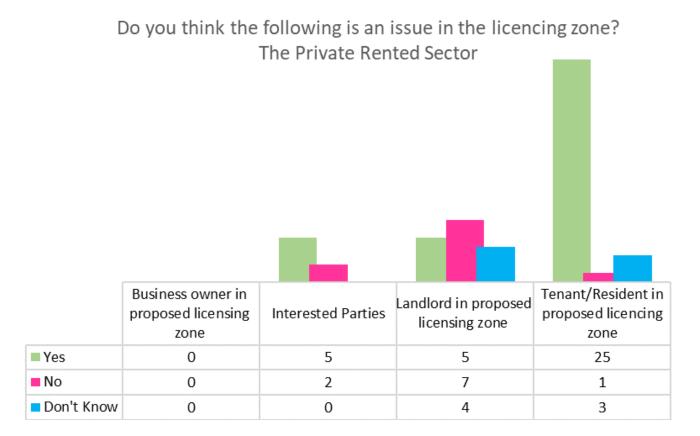


- Only 13% of all respondents agreed that landlords act responsibly in letting, managing and maintaining their properties
- 62% of all respondents disagreed with this statement; for tenants and residents this was 79%
- For landlords, only 24% agreed with this statement

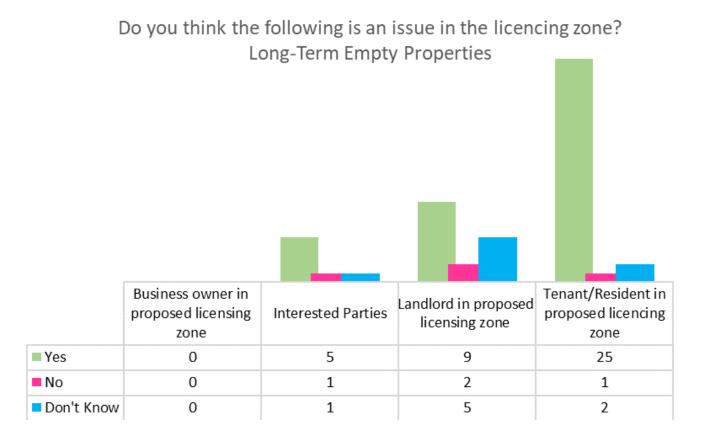


Do you think that private landlords take appropriate action against tenants who cause a nuisance or anti-social behaviour?

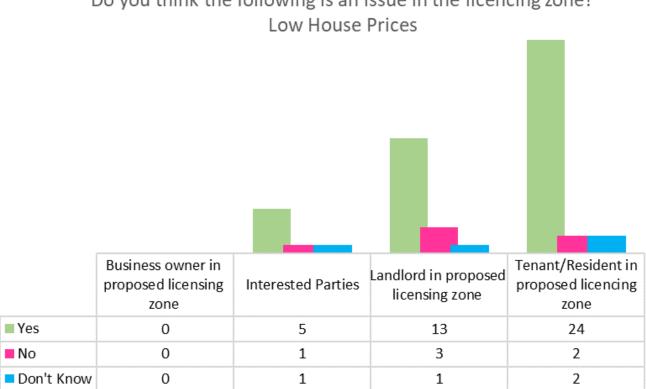
- Only 9% of all respondents (5 out of 53 responses) agreed that landlords take appropriate action against tenants who cause a nuisance or anti-social behavior
- No tenants or residents believed landlords did take appropriate action in these cases
- 51% of all respondents disagreed with this statement; with 40% not expressing an opinion



- 67% of all respondents believe the private rented sector is an issue in the proposed licencing zone
- Only 1 response from a tenant or resident did not believe the private rented sector was an issue
- 44% of landlords did not agree that the private rented sector was an issue



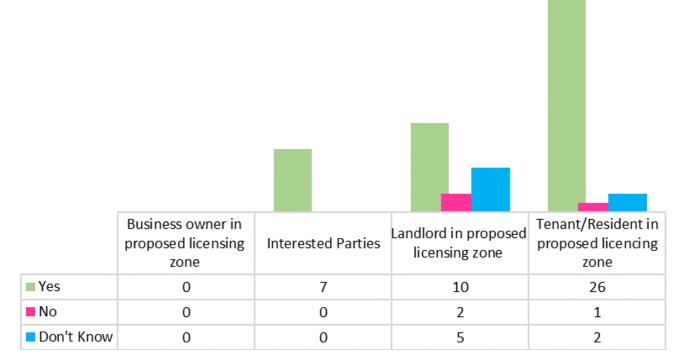
- 76% of all respondents believe long term empty properties are an issue in the proposed licencing zone
- The majority of respondents in all categories agreed that long term empty properties were an issue
- Only 4 out of 51 respondents (8%) did not think long term empty properties were an issue



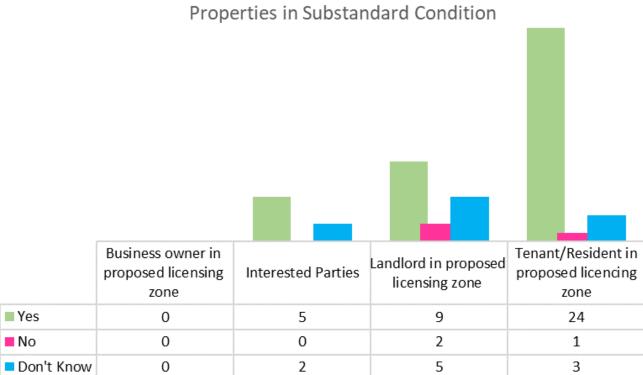
Do you think the following is an issue in the licencing zone?

- 81% of all respondents believe low house prices is an issue in the proposed licencing zone ٠
- The majority of respondents in all categories agreed that low house prices was an issue ٠
- Only 6 out of 52 respondents (12%) did not think low house prices was an issue ٠

Do you think the following is an issue in the licencing zone? Households not staying for long, tenants coming and going

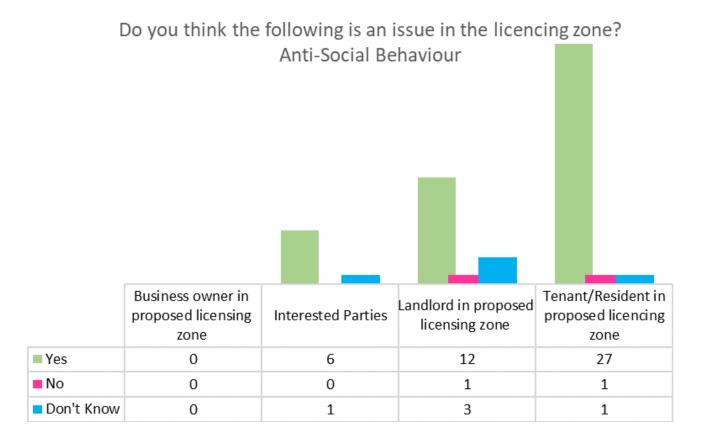


- 81% of all respondents believe the quick turnover of families and tenants is an issue in the proposed licencing zone
- The majority of respondents in all categories agreed that turnover of households and tenants was an issue
- Only 3 out of 53 respondents (6%) did not think the turnover of households and tenants was an issue



Do you think the following is an issue in the licencing zone?

- 75% of all respondents believe properties in a substandard condition is an issue in the proposed ٠ licencing zone
- The majority of respondents in all categories agreed that properties in a substandard condition was ٠ an issue
- Only 3 out of 51 respondents (6%) did not think properties in a substandard condition was an issue ٠



- 87% of all respondents believe anti-social behaviour is an issue in the proposed licencing zone
- The majority of respondents in all categories agreed that anti-social behaviour was an issue
- Only 2 out of 52 respondents (4%) did not think anti-social behaviour was an issue

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APPENDIX F

Keepmoat Estate Street names and map

- Conyers Way (TS3 6LH)
- Orme Court (TS3 6LT)
- Saxon Close (TS3 6LU)
- Kildale Court (TS3 6LS)
- Market Walk (TS3 6LQ)
- Church Walk (TS3 6LW)

James Street (TS3 6LX)



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212 Washway Road, Sale Manchester M33 6RN

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Middlesbrough Council

6th December 2020

Dear Sir or Madam,

Selective Licensing Consultation Process

The NRLA is a newly formed association following the completed merger of the National Landlords Association and the Residential Landlords Association. Our membership represents over 83,000 landlords and agents, by far the largest organisation in the sector. Members own and manage around 10% of the PRS, equating to half a million properties.

Thank you for the opportunity to respond to the above consultation for the renewing of a Selective Licensing Scheme in Middlesbrough.

The NRLA objects to the relevance of Selective Licensing schemes by Local Authorities. Although we sympathise with the aims of Middlesbrough Council, we believe that Licensing does not align with the successful completion of these aims. The NRLA seek a fair legislative and regulatory environment for the private rented sector while aiming to ensure that landlords are aware of their statutory rights and responsibilities.

Main Objections

Statistical evidence supporting licensing

The council highlights identified hazards and breaches from the previous scheme. Many of these hazards and violations identified can be tackled using existing enforcement powers, rather than relying on property licensing to enforce standards in the PRS. The council does not need a licensing scheme in place to regulate the private rented sector in Middlesbrough.

Waste management in tenancies

Often when tenants are nearing the end of their contract/tenancy and are in the process of moving out, they will dispose of excess household waste by a variety of methods. These include but not limited to, putting waste out on the street for the council to collect. This is in the hope of getting their deposit back and made worse when the council does not allow landlords access to municipal waste collection points. Local authorities with many private rented properties need to consider a strategy for the collection of excess waste at the end of a tenancy in place of selective licensing.

Additional fee for licence instalments

The council is proposing a £100 administrative fee should the landlord choose to pay the second part of the licence fee in instalments over the course of 6 to 12 months. Although this is a kind



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gesture aimed towards landlords, a fee for administering these instalments is potentially unlawful as it would be classed as an additional fee. The power to charge a fee is set out in s63(3) and s87(3) of the Housing Act 2004, with the fee-charging power being limited by s63(7) or s87(7). These state that a fee must reflect the cost of running a scheme, with the local authority not being permitted to make a profit. The fee can be used for the operation of the scheme itself, necessary inspections, promoting education and all enforcement activity to ensure the scheme is effective. Also, fees are only chargeable in respect of the application itself, and not in respect of ancillary matters.

No other charges can be implemented under the licensing regime, a point confirmed by the RPT (as was) in Crompton v Oxford City Council [2013]. Because of this, Oxford amended its fee structure to reflect this ruling. While we appreciate the need of local authorities to use their resources efficiently, this does not extend to the charging of fees that are not lawfully permitted. Should the scheme move forward and be approved, the council should not go ahead with the administrative fee.

Antisocial behaviour in tenancies

Landlords are usually not experienced in the management of antisocial behaviour and do not have the professional capacity to resolve tenants' mental health issues or drug and alcohol dependency. Suppose there are any allegations about a tenant causing problems, and a landlord ends the tenancy. In that case, the landlord will have fulfilled their obligations under the selective licensing scheme, even if the tenant has any of the above issues.

This moves the problems around Middlesbrough Council but does not help the tenant, who could become lost in the system, or worst moved towards the criminal landlords. They will also blight another resident's life.

Regarding the reduction of antisocial behaviour and that landlords must tackle such activity within their properties, landlords and agents can only enforce a contract; they cannot manage behaviour.

Criminal Activity

The proposal does not consider rent-to-rent or those who exploit people (both tenants and landlords). Criminals will always play the system. For instance, there is no provision for landlords who have legally rented out a property that has later been illegally sublet. The license holder can end the tenancy (of the superior tenant, the subtenants have no legal redress) and support the local authority in criminal prosecution. Often, landlords are victims, just as much as tenants. What support will the council provide for landlords to whom this has happened? Will the council support an accelerated possession order?

The issue of overcrowding is complicated for a landlord to manage if it is the tenant that has overfilled the property. A landlord will tell a tenant how many people are permitted to live in the property, and that the tenant is not to sublet it or allow additional people to live there. Beyond that, how is the landlord to manage this matter without interfering with the tenant's welfare? Equally, how will the council assist landlords when this problem arises? It is impractical for landlords to monitor the everyday activities or sleeping arrangements of tenants. Where overcrowding does take place, the people involved know what they are doing and that they are criminals, not landlords. The council already has the powers to deal with this.



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Tenancy Management

Licensing is introduced to tackle specific issues, with many of these issues related to the tenants which the council has identified. The main challenge for local authorities is to work with all the parties involved and not squarely blame one group, e.g. landlords. At the commencement of a tenancy, the landlord outlines the tenant's obligations concerning noise (and other matters such as waste disposal, compliance with relevant laws and having consideration for their neighbours). The landlord can manage a tenant only to the extent of their mutually agreed contract for living in the rented property, not for the tenant's activities in the street outside the property for matters should as parking spaces, noise complaints or fly-tipping/waste disposal. The ending of a tenancy will be a way for a landlord to resolve an allegation- this will not resolve the issue of high tenancy turnover; it will merely exacerbate it.

Conclusions and alternatives

The NRLA advocates using council tax records to identify tenures used by the private rented sector and those landlords in charge of those properties. Unlike discretionary licensing, this does not require self-identification by landlords, making it harder for criminal landlords to operate under the radar and continuing to provide a low standard of housing.

It would be a more effective method of targeting these criminals and rooting them out of the sector using existing enforcement powers granted by the Housing Act and the Housing and Planning Act 2016 and generate funds for the council via this method as opposed to licencing fees. The NRLA believes that local authorities need a healthy private rented sector to complement the other housing in an area. This provides a variety of housing types and can be flexible around meeting the needs of both residents and landlords in the area. The sector is regulated, and enforcement is an essential part of maintaining the sector from criminals who exploit landlords and tenants. An active enforcement policy that supports good landlords is crucial as it will remove those who use others and create a level playing field. It is essential to understand how the sector operates as landlords can often be victims of criminal activity with their properties exploited for illicit purposes.

Furthermore, the council should consider if the scheme is approved providing an annual summary of outcomes to demonstrate to both tenants and landlords' improvements of behaviour and the impact of licensing on the designated area over the lifetime of the scheme. This would improve transparency overall.

The NRLA has a shared interest with Middlesbrough council in ensuring a high-quality private rented sector in Liverpool but disagrees that another selective licensing scheme is the most effective approach to achieve this aim.

Yours Sincerely,

Samantha Watkin Policy Officer National Residential Landlords Association Samantha.Watkin@nrla.org.uk



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Equality Impact Assessment Level 1: Initial screening assessment

	Subject of assessment:	Selective Licensing Re-designation.					
	Coverage:	Re-designate the selective landlord licensing scheme in the designated area of North Ormesby					
		Strategy	Policy	Service		ction	
	This is a decision relating to:	Process/procedure	√ Programme	Project	🗌 Rev	iew	
		Organisational change Other (please state)					
	It is a:	New approach:		Revision of an existing approach:			
	It is driven by:	Legislation:		Local or corporate requirements:			
	Description:	To use powers within the Housing Act 2004 to re-designate the area of North Ormesby for Selective Landlord Licensing of privately rented properties over a period of 5 years, with the aim of improving the social and economic standards for all local stakeholders, reversing issues of low demand, reducing anti-social behaviour and improving property management standards.					
_	Live date:	April/May 2021					
Jage	Lifespan:	5 years (April/May 2026)					
Date of next review: 12-18 months following implementation to check progress against outcomes framework, and to consider whether the scheme review: expanded to other wards affected by similar issues of low demand.				cheme may be			
ω	\mathcal{S}						

Screening questions	Response			Fuidence	
Screening questions		Yes	Uncertain	Evidence	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK V \square \square \square It is considered that the implementation of the not have an unjustified or disproportionate as upon any of the stakeholder groups affected by the stake					
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*				It is considered that the implementation of the scheme will not have an adverse differential impact on groups or individuals with characteristics protected in UK equality law, or other commonly disadvantaged groups	
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*	V			It is considered that implementation of the scheme will have a positive impact upon community cohesion in respect of stabilising the area and enabling better relationships between different groups and communities of interest in the designated area.	
Next steps:					
If the answer to all of the above screening questions is No then the process is completed.					
If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.					

Assessment completed by:	Louise Kelly	Head of Service:	Judith Hedgley
Date:	05/01/2021	Date:	05/01/21

^{*} Consult the Impact Assessment further guidance appendix for details on the issues covered by each of theses broad questions prior to completion.

MIDDLESBROUGH COUNCIL



Report of:	Mark Adams - Director of Public Health Councillor Dorothy Davison - Executive Member for Adult Social Care and Public Health
Submitted to:	Executive - 16 February 2021
Subject:	Final Report of the Adult Social Care and Services Scrutiny Panel - Physical Activity for Older People (aged 65 plus) - Service Response

Summary

Proposed decision(s)

That the Executive approves the response, and accompanying action plan, to the Adult Social Care and Services Scrutiny Panel final report on physical activity for older people (aged 65 plus)

Report for:	Key decision:	Confidential:	Is the report urgent?
Executive	Yes – more than 2	This report is not	For the purposes of the call-in
	wards will be affected.	confidential.	procedure, this report is not urgent.

Contribution to delivery of the 2018-22 Strategic Plan		
Business Imperatives	usiness Imperatives Physical Regeneration Social Regeneration	
		The proposed
		recommendations are in line
		with the ambitions of the
		social regeneration strategy

Ward(s) affected	
All	

What is the purpose of this report?

1. The report provides the response, and accompanying action plan, to the Adult Social Care and Services Scrutiny Panel final report on physical activity for older people (aged 65 plus).

Why does this report require a Member decision?

2. There is a requirement for the Executive to formally consider the final reports of the Council's scrutiny panels and agree departmental service responses and accompanying action plans.

Report Background

3. During 2019/2020, the Adult Social Care and Services Scrutiny Panel investigated the topic of physical activity for older people (aged 65-plus).

The purpose of the scrutiny panel's review was to examine whether effective and successful models of support are in place, in Middlesbrough, to:

- a) To understand the importance of physical activity for those over the age of 65;
- b) To examine current service provision and ascertain how accessible physical activity is for Middlesbrough residents over the age of 65; and
- c) To explore effective strategies, interventions and projects to further develop service provision.

Physical activity is defined as "any bodily movement produced by skeletal muscles that requires energy expenditure" – it is a key component of good health. The latest data from the Active Lives Survey (Sport England) shows that 58% of the Middlesbrough population is active (150+ minutes of physical activity a week), 9.8% are fairly active (30 - 149 minutes a week) and 32.2% are inactive (<30 minutes a week). These rates have remained stable over time, emphasising the need for a new approach.

Physical activity is particularly important for older people, contributing to maintaining quality of life, health, and physical function and reducing falls. The Active Lives Survey national sample results show the physical activity declines with age, particularly after age 75 as shown in table one.

Table one – levels of physical activity in England by age (Active Lives Survey, May 19 to May 20)

Age band	% physically active	% Fairly Active (30 –	% Inactive (<30 minutes
(years)	(150+ minutes a week)	149 minutes a week)	a week)
16-24	72.5%	9.0%	18.5%
25-34	66.3%	12.0%	21.7%
35-44	66.1%	12.3%	21.6%
45-54	66.7%	11.4%	21.9%
55-64	62.0%	12.2%	25.8%
65-74	58.7%	12.6%	28.7%
75-84	44.1%	13.3%	42.6%
85+	22.4%	11.6%	66.1%

Interventions to increase physical activity have tended to focus on changing individual behaviour – for example, by:

- a) Providing access to activity sessions in the community and leisure centres
- b) Referring people to Health Coaches
- c) Encouraging people to use a smartphone or web-based application
- d) Running campaigns such as Change4Life or Fit as a Fiddle on TV, Radio, online and via posters/leaflets etc. (which aim to change awareness rather than behaviour).

However, these have not shifted population levels of physical activity and the latest evidence suggests that multi-modal and multi-component interventions are needed, including for older people¹. These interventions go beyond the individual and change the physical and social environment as well as influence policy decisions – examples might include improving the quality and availability of pavements and cycle paths along with measures to reduce road traffic or crime.

What decision(s) are being asked for?

4. That the Executive approves the response, and accompanying action plan, to the Adult Social Care and Services Scrutiny Panel final report on physical activity for older people (aged 65 plus).

Why is this being recommended?

5. The Adult Social Care and Services Scrutiny Panel final report and subsequent action plan on physical activity for older people (aged 65 plus) will be used to support wider action alongside the Sport England Local Delivery Pilot, developing a Council-wide approach to the issue.

Other potential decisions and why these have not been recommended

6. In most instances, no alternative decisions were considered as the recommendations by the Adult Social Care and Services Scrutiny Panel are straightforward to implement and there are no significant resource implications.

¹ Zubala et al. Promotion of physical activity interventions for community dwelling older adults: A systematic review of reviews. PLoS One. 2017 Jul 10;12(7):e0180902

Alternative actions are proposed for the recommendation around the provision of transport, such as Officers working with any groups identified with such a need to access relevant funding.

Impact(s) of recommended decision(s)

7. The Adult Social Care and Services Scrutiny Panel report will support wider action around increasing levels of physical activity, particularly for older people. This will lead to improvements in physical and mental health, particular around falls prevention and social isolation.

The action plan will be implemented in partnership with wider Council colleagues, other statutory organisations (e.g. NHS Tees Valley CCG) and voluntary and sector partners.

Equality and Diversity

8. There will be no negative, differential impact on diverse groups and communities associated with this report.

Legal

9. None Identified.

Financial

10. No significant costs identified.

Policy Framework

11. The proposed action has no impact on the Council's policy framework.

Equality and Diversity

- 12. The purpose of the Adult Social Care and Services Scrutiny Panel's report is to consider the potential positive impact of physical activity on older people to reduce disadvantage experienced by all protected characteristics.
- 13. Advice will be sought regarding requirements around an Equality Impact Assessment(s).

Risk

14. The implementation of the Adult Social Care and Services Scrutiny Panel recommendations will support the Council in ensuring that our older people will be afforded opportunities to be physically active and age well.

Actions to be taken to implement the decision(s)

15. Progress on implementation of the identified actions will be provided.

Appendices

16. There are no appendices.

Background papers

Body	Report title	Date
Adult Social Care and	Final Report – Physical	5 November 2020
Services Scrutiny Panel	Activity for Older People	
	(Aged 65-plus)	

Appendices

17. There are no appendices to this report.

Background papers

18. There are no background papers to this report.

Contact: Scott Lloyd, Advanced Public Health Practitioner **Email:** scott_lloyd@middlesbrough.gov.uk

MIDDLESBROUGH COUNCIL

OVERVIEW AND SCRUTINY BOARD

5 NOVEMBER 2020

FINAL REPORT OF THE ADULT SOCIAL CARE AND SERVICES SCRUTINY PANEL – PHYSICAL ACTIVITY FOR OLDER PEOPLE (AGED 65-PLUS)

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PURPOSE OF THE REPORT

1. To present the final report of the Adult Social Care and Services Scrutiny Panel following its investigation into 'Physical Activity for Older People (aged 65-plus)'.

AIMS OF THE INVESTIGATION

2. As part of its investigation, the Adult Social Care and Services Scrutiny Panel sought to raise awareness of the issues surrounding physical activity for older people over the age of 65, and to encourage further participation in physical activity. The Panel feels that the outcome of this investigation will have the potential to make an enormous difference to the lives of older people in Middlesbrough.

MAYOR'S PRIORITIES

- 3. The scrutiny of this topic fits within the following Mayor's priorities (Middlesbrough Council, 2020):
 - People Ensuring our town is an absolute leader on environmental issues;
 - Place Building more town centre homes and protecting our green spaces; and
 - Business Creating positive perceptions of our town on a national basis.

STRATEGIC PLAN 2020-2023

- 4. The scrutiny of this topic contributes to the delivery of the Strategic Plan 2020-2023 (Middlesbrough Council, 2020), as follows:
 - People Healthy life expectancy; Adults living independently; and Average life satisfaction;
 - Place Town population; and Satisfaction with Middlesbrough as a place to live; and
 - Business Council spending with local businesses.

TERMS OF REFERENCE

- 5. The terms of reference for the Scrutiny Panel's investigation were as follows:
 - a) To understand the importance of physical activity for those over the age of 65;
 - b) To examine current service provision and ascertain how accessible physical activity is for Middlesbrough residents over the age of 65; and
 - c) To explore effective strategies, interventions and projects to further develop service provision.

SETTING THE SCENE

- The Panel held meetings on 16 September 2019, 16 October 2019, 13 November 2019, 18 December 2019 and 22 January 2020. However, following the outbreak of the COVID-19 pandemic, further meetings were held on 29 July 2020 and 16 September 2020 to consider next steps for the review, and to receive updates.
- 7. Information/evidence was received from the following organisations/representatives:
 - K Bainbridge Better Care Fund Project Manager, Middlesbrough Council;
 - R Bedford Health and Physical Activity Development Manager, Middlesbrough Council;
 - J Berger Insight and Analytics Officer, 'You've Got This' (South Tees Local Delivery Pilot);

- M Fitzgerald Programme Director, 'You've Got This' (South Tees Local Delivery Pilot);
- L Grabham Head of Strategic Commissioning and Procurement, Middlesbrough Council;
- J Hartley Programme Officer, 'You've Got This' (South Tees Local Delivery Pilot);
- S Hydon Sport and Client Relationship Manager, Middlesbrough Council;
- S Lloyd Advanced Public Health Practitioner, Middlesbrough Council;
- E McInnes Health Improvement Practitioner (Ageing Well/Dementia), Middlesbrough Council;
- C Orr Infrastructure Programme Manager, Middlesbrough Council;
- E Scollay Director of Adult Social Care and Health Integration, Middlesbrough Council; and
- A Sykes Chief Executive, Age UK Teesside.
- 8. The information conveyed to the Panel over the course of the investigation has been considered in respect of the agreed terms of reference.

BACKGROUND INFORMATION

DEFINITIONS

Physical Activity vs. Exercise

9. Physical Activity and Exercise are described by the World Health Organisation (2019) in the following way:

"Physical activity is defined as any bodily movement produced by skeletal muscles that requires energy expenditure...The term "physical activity" should not be mistaken with "exercise". Exercise, is a subcategory of physical activity that is planned, structured, repetitive, and purposeful in the sense that the improvement or maintenance of one or more components of physical fitness is the objective. Physical activity includes exercise as well as other activities which involve bodily movement and are done as part of playing, working, active transportation, house chores and recreational activities."

Demographic – 'Older Adult' (Aged 65-plus)

- 10. There is no clear definition/application of the term 'older person', and attempting to create one may exclude key demographics involved in this investigation. In line with NHS (2019b) definitions, the Panel agreed to focus on older adults aged 65-plus.
- 11. The Panel is mindful that older people are not a homogenous group and has considered this topic in respect of those living either independently or within a care home environment, as well as those with health conditions, such as dementia.
- 12. Demographically, research by the Office of National Statistics (ONS, 2019b) indicates those aged 65 years and over is an age group growing faster than any other age group. In 1998, around one in six people were over 65 (15.9%), increasing to one in every five in 2018 (18.3%). This is projected to reach around one in every four (24.2%) by 2038. Locally, 16.2% of Middlesbrough's population was over the age of 65 in April 2019 (ONS, 2019c). By 2068, it is projected an additional 8.2 million people over the age of 65 will live in the UK.
- 13. The number of older people living alone has also increased. Between 2008 and 2018, this increased by 6% (7.5 million to 8 million), particularly in respect of older men. In 2018, nearly half of those living alone (48%) were aged 65 years and over, and more than one in four (27%) were aged 75 years and over (ONS, 2019b).

CONTEXT

- 14. The UK Chief Medical Officer published Physical Activity Guidelines in 2011, which were revised in 2019. The current guidelines for older adults (aged 65 years and over) include the following:
 - "Older adults should participate in daily physical activity to gain health benefits, including maintenance of good physical and mental health, wellbeing, and social functioning. Some physical activity is better than none: even light activity brings some health benefits compared to being sedentary, while more daily physical activity provides greater health and social benefits"; and
 - "Each week older adults should aim to accumulate at least 150 minutes of moderate intensity aerobic activity, building up gradually from current levels. Those who are already regularly active can achieve these benefits through 75 minutes of vigorous intensity activity, or a combination of moderate and vigorous activity, to achieve greater benefits. Weight-bearing activities which create an impact through the body help to maintain bone health."

(Source: Department of Health, 2019a)

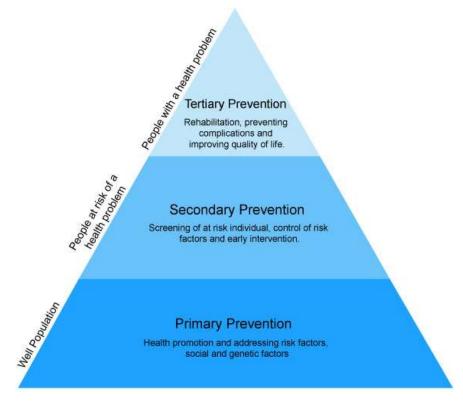
- 15. Although these guidelines have been drafted for a specific purpose, the Panel has borne in mind that these may not apply to everybody.
- 16. The health and wellbeing benefits associated with physical activity in older adults, both physically and mentally, is well documented (see Appendices 1 and 2 for examples of this).
- 17. According to the British Heart Foundation (2017), approximately 20 million UK adults are physically inactive, with 900,000 (42%) being inactive in the North East. This is supported by NHS England (2018), i.e. adults over the age of 65 tend to spend, on average, 10 hours or more sitting or lying down each day. Such inactivity leads to higher rates of falls, obesity, heart disease and early death, in comparison to the general population.
- 18. Conversely, studies show that physically active older people have a reduced risk of illnesses/ailments (such as Type II Diabetes, Cardiovascular Disease, Depression and joint pain), whilst seeing health benefits (including improved sleep, reduced stress and better weight management). These improvements also impact on psychological wellbeing and can help reduce feelings of loneliness and/or social isolation. As the Panel found in its previous report ('Reducing Loneliness and/ or Social Isolation in Later Life'), this is important, particularly as the number of single person households is projected to rise steadily.
- 19. Importantly, there are wider benefits to public services and the economy. Previous studies have documented the ramifications of physical inactivity which, according to Public Health England (2019), "...is responsible for one in six UK deaths (equal to smoking) and is estimated to cost the UK £7.4 billion annually (including £0.9 billion to the NHS alone)." Therefore, an increase in physical activity could result in significant financial savings.
- 20. Despite these benefits, however, evidence does suggest that as people grow older, insufficient focus is being placed on undertaking physical activity.

TERM OF REFERENCE A: TO UNDERSTAND THE IMPORTANCE OF PHYSICAL ACTIVITY FOR THOSE OVER THE AGE OF 65

- 21. The Panel heard that current guidelines recommend a target of 150 minutes (2 ½ hours) of physical activity be undertaken each week. However, as indicated under Term of Reference B, the Panel appreciates this may be challenging or off-putting for some people, perhaps due to existing health conditions or mobility problems, which could affect confidence to participate. In recognising the importance of physical activity for those aged 65 and over, the Panel feels that even small amounts of activity will tackle sedentary behaviour, but it is appreciated that lifestyles do vary, and therefore opportunities to undertake physical activity must be workable around other everyday commitments.
- 22. There are several key strategies in place across Middlesbrough to increase awareness of the importance of physical activity for older people, and to ensure appropriate provision is in place to support their pursuit for a healthier lifestyle.

Prevention Agenda

- 23. The prevention agenda is designed to prevent degradation of health and Middlesbrough Council's 'Middlesbrough Prevention Strategy: Adults and Older People 2016-2020' highlights this. For example: showing the impact that inactivity has on physical and mental health.
- 24. As the following diagram illustrates, prevention is broken down into three strata: Primary, Secondary and Tertiary:



(Source: NHS, 2020)

25. Maintaining physical activity for individuals falling within the Tertiary stratum of prevention, i.e. those already in the social care system and receiving care, is a key priority. Health professionals, such as Occupational Therapists and reablement staff, are available to provide vital support to help people remain active.

- 26. Elsewhere, officers within Public Health currently undertake work that aligns with the Secondary and Tertiary strata of prevention. For example: pre-operative physical activity work is being undertaken in the hope that more operations are successful, and that improvements in recovery/rehabilitation times can be achieved.
- 27. Public Health teams contribute to the referrals process on a small scale by signposting service users to other support organisations, such as Stroke Group. The intention is to develop this further as part of the Sport England Local Delivery Pilot (LDP) initiative.

Sport England LDP

- 28. In 2015, the Government produced a new strategy based on physical activity: 'Sporting *Futures: A New Strategy Towards an Active Nation*'. This strategy focused, for the first time, on the benefits of physical activity and how this linked to improved physical health, mental wellbeing, social cohesion and economic status.
- 29. Middlesbrough and Redcar (as a South Tees offer) successfully bid for a share of £130m, which will be apportioned on a rolling basis according to need. 12 areas were selected out of over 100 that had applied.
- 30. Redcar and Cleveland Borough Council is the accountable body for the LDP, but does not employ any LDP staff. Employees of Voluntary Community Sector organisations are contracted to deliver the pilot project, which allows for increased buy-in and capacity building.
- 31. The LDP is entitled 'You've Got This' and focuses upon increasing physical activity through 'whole system change' (i.e. acknowledging the importance of wider factors, such as open space, transport, infrastructure and health and safety). Fundamentally, the objective is to change psychological capacity and shift attitudes, thereby enabling people to prioritise physical activity. The aim of the programme is to have the pilot areas consider alternative ways where the change of scale can be at population level. Owing to the size of the South Tees population (circa. 270,000), ideas are being tested on a small scale and will be rolled-out accordingly.
- 32. The pilot is not about duplication, but about building capacity for existing opportunities and improving connections between groups and organisations, which should encourage collaborative working. Various community initiatives, such as litter picks, are currently taking place, which allow communities to socialise and undertake physical activity together.
- 33. The Panel understands that as part of this approach, the LDP focuses specifically on people undertaking less than 30 minutes of physical activity per week. Nationally, this is 25% of the population, however, in some of South Tees' most deprived wards, the figure is currently 43%.
- 34. Demographically, four specific 'communities of interest' were selected as part of the pilot, as follows:
 - People with or at risk of developing Type II Diabetes;
 - People accessing commercial weight loss services;
 - Health professionals/GPs working with people to change behaviour and build capacity to utilise physical activity as a clinical pathway; and
 - People in pre-habilitation, which is concerned with improving patients' fitness prior to undergoing surgery (e.g. preparing older people for orthopaedic surgery).

- 35. Geographically, four socially deprived localities with the worst health outcomes were identified:
 - Brambles and Thorntree;
 - Grangetown;
 - North Ormesby; and
 - South Bank.
- 36. Within each locality, key elements of work are being carried out. In North Ormesby, for example, older adults are the current focus. The ethos focuses upon learning and the positive impact of passing on examples of best practice. Any learning gathered within North Ormesby will be replicated across different areas of Middlesbrough and Redcar and Cleveland, which the Panel feels could have a very positive impact upon Middlesbrough's older demographic.
- 37. The Panel was appraised of the following key points arising from focus group and baseline activities to date:
 - The national average for physical activity is currently 25.1% in the pilot's four focus wards the average is 43%;
 - The most physically inactive people are those over the age of 55;
 - The overall activity levels for people aged 55-74 is 52%;
 - Women and individuals with long-term disabilities are more physically inactive than people who are healthy;
 - More positively, there is a higher sense of social cohesion amongst people over the age of 54, who answered more positively to the question 'to what extent do you agree/disagree that you can trust people in your local area';
 - Of the focus groups undertaken with older people in North Ormesby, their main motivators for being physically active are socialising and improving coordination and general health. There is a heightened fear of falling, and restricted mobility and sight problems prevent them from doing things that they would like to do;
 - Safety is an enormous factor that was identified across the wards and across the age groups;
 - People advised of their reluctance to undertake computer or screen-based activities, stating that group and/or face-to-face contact is preferred;
 - Respondents aged 75-plus are the least active group, with 50% of those falling into the 'inactive' category (less than 30 minutes of moderate intensity exercise per week), which is double the national average; and
 - Respondents aged 75-plus report high levels of life satisfaction and mental wellbeing.
- 38. Through engagement with community stakeholders, the following themes have emerged as to what impacts an individual's physical activity levels:
 - Perceived health conditions and needed transport;
 - Dependency on local assets/buildings and working with organisations familiar to them;
 - Physical activity not being a priority;
 - Awareness of physical activity being 'something for them';
 - Co-design with communities;
 - Isolation and safety; and
 - Importance of group activities.

- 39. Older people in North Ormesby value physical activity and are aware that they need to be active to maintain both physical and mental health. However, it appears that barriers are preventing people from partaking in physical activity, including:
 - A lack of awareness around the opportunities available;
 - Feelings that exercise is not for them; and
 - Thoughts that physical activity could have negative repercussions upon preexisting medical conditions.
- 40. Consequently, the Panel recognises the importance of developing new ideas to increase involvement in physical activity, and tapping into all contact points within the community to ensure that socially isolated individuals can be reached.
- 41. Representatives from 'You've Got This' have engaged housing organisations (including Thirteen Group and Beyond Housing) in discussion around development planning, and how factors such as green space can contribute to increased physical activity.
- 42. The Panel supports the Sport England LDP's work and recognises that it is a long-term project. The Panel acknowledges that only a snapshot of the work and subsequent learning is currently available, and would therefore welcome the opportunity of receiving further updates in the future.

TERM OF REFERENCE B: TO EXAMINE CURRENT SERVICE PROVISION AND ASCERTAIN HOW ACCESSIBLE PHYSICAL ACTIVITY IS FOR MIDDLESBROUGH RESIDENTS OVER THE AGE OF 65

- 43. In terms of physical activity provision, the Panel appreciates that there must be a demand for a service, as well as the resources available to deliver it.
- 44. Although there have been recent changes to the state pension age, in essence, retirement can provide excellent opportunity for individuals to increase activity, which could contribute to the creation of demand for different activities.
- 45. Representatives of Adult Social Care, Age UK Teesside and Sport and Leisure Management (SLM also known locally as 'Everyone Active') conveyed the significance of physical activity in terms of maintaining health and wellbeing. Consequently, physical activity can be viewed as a preventative measure.
- 46. If there is demand for specific services, these will be considered in view of the resources available (which will be dependent upon capacity and funding/commercial viability).
- 47. The Panel heard that Everyone Active has entered a 15-year contract with Middlesbrough Council to manage its leisure centres/services, which commenced in April 2016.
- 48. The overall attendance figures for people over 60 at Middlesbrough's leisure venues, up to the end of September 2019, were as follows:

	2018/19	2019/20	Variance
Over 60's attendance	7,099	7,212	+113

49. The Panel feels that there are lots of opportunities for people over 65 to get involved in physical activity within leisure centres, for example: Athletics; Badminton; Cycling; Dementia friendly activities; and Swimming.

- 50. Successful promotion of activities and services is a fundamental issue. A variety of communication methods, both on and offline-based, are important, as not everyone over 65 can readily access IT. Methods could include face-to-face conversations at opportune moments, such as during healthcare appointments, together with e-bulletins and service directories.
- 51. Access to Everyone Active's sport and leisure facilities is not free, nor are there any concession rates available to those over 65. In light of this, the Panel raise the following points:
 - As older people may not visit the gym on a daily basis, the current membership fee of £24.95 per month for adults could prove more expensive than for younger adults, who may visit more frequently (even with an annual payment which provides two months free membership);
 - The costs associated with fitness could be prohibitive to a healthier lifestyle for over 65s, therefore a flat-rate entry fee per visit could be more feasible; and
 - As a commercial company, it may prove useful for Everyone Active to ascertain demand for gym usage for over 65s, and consider ways to meet that demand. Consultation or focus group activity could prove particularly useful in this regard.
- 52. The key is to ensure that over 65s are actively encouraged to approach service providers with suggestions for activities/services, and discuss them in greater detail. This would help ensure older people are able to make the most of their memberships, and demonstrate demand exists. It is very positive that Everyone Active is keen to discuss potential activity development with clients/individuals/groups.
- 53. 'The Over Fifties Youth (T.O.F.Y) Club', which was initially funded by Sport England but is now financially independent, is an excellent example of how community initiatives can develop and succeed, i.e. with appropriate support, organisations can become selfsustainable. 'Grass roots' support from a variety of stakeholders is paramount to moving ideas and areas of interest forward.
- 54. Café/refreshments facilities at leisure centres often provide excellent space for older people to socialise after physical activity. This may not only increase participation, but also reduce feelings of loneliness and/or social isolation. However, these services also need to be commercially viable. It is appreciated that financial resource is a significant issue for all service providers, irrespective of the sector in which they operate.
- 55. Whilst national funding opportunities are occasionally available for public bodies and local not-for-profit organisations/branches, this is highly competitive and therefore not guaranteed.
- 56. Funding opportunities, particularly for physical activity initiatives, are often short-term, which could act as a barrier to participation. Shortage of funding could also result in a perceived reduction in demand for activities.
- 57. Physical activity must be provided not only in a positive, engaging and motivational way, but must also be fully inclusive and accessible to all. This is especially the case for older people diagnosed with dementia and their families/carers.
- 58. At present, one in fourteen people are diagnosed with dementia and, in Middlesbrough, approximately 600 people are predicted to be un-diagnosed.

- 59. The Dementia Friendly Community initiative, through which Middlesbrough achieved Dementia Friendly Town status in March 2016, encourages businesses to sign up to the programme, and involves implementing suitable community activities for people with dementia. Previously, activities such as chair-based exercise have been held exclusively for individuals with dementia and their carers, however, these have now been opened up for anyone to attend.
- 60. All of Middlesbrough's leisure centres have signed up to be dementia friendly, and discussions are taking place to determine what activities could continue to support this pledge. At present, over 160 businesses in Middlesbrough have signed up to be dementia friendly, with 3000 dementia friends in Middlesbrough also attending a one hour awareness-raising session.
- 61. An interactive map ('Community Mapping') has been developed for professionals, which enables them to signpost service users to appropriate support provision, including activities within local communities. The Panel supports the view that Link Workers could potentially use this map to help facilitate the signposting/referrals process in future, as part of Social Prescribing work.
- 62. 'Exercise on prescription' is offered to individuals as a form of Social Prescribing, but it is important that GPs refer to the appropriate pathways and for the appropriate reasons. As part of the Sport England LDP, on-going analysis will be carried-out in respect of referral rates by GP practice.
- 63. Other initiatives include a volunteer befriending programme for carers and ex-carers of dementia sufferers, which helps break down barriers for those accessing community/physical activities. Dementia cafes also offer further opportunity to learn about dementia.
- 64. Tea dance activities are held every six-weeks at Acklam Green Centre, with more than 50 people currently attending each session. The benefits this brings is cited in Burkhardt and Rhodes' (2012) work:

"Regular dance activity can help maintain cognitive function, reduce cardiovascular risk and reduce the risk of falls. Dance programmes involving regular sessions can provide a way to be active, have fun and above all engage socially with others; critical to maintaining mental wellbeing in older people. Dance is also being used successfully to support people with Alzheimer's or Dementia and their carers."

65. All of these initiatives help to improve social connectedness and reduce loneliness and/or social isolation.

N.B. Following receipt of this information during the evidence gathering process, the Panel suggested that a briefing/awareness-raising session be scheduled for all Elected Members, which was subsequently held on Friday, 6 March 2020.

- 66. The Panel welcomed the news that a dementia hub facility is currently being established in Middlesbrough, which will be managed by Tees, Esk and Wear Valley (TEWV) Trust. Providing initial information to dementia sufferers and their carers, the hub will also signpost/refer to specialist services, including physical activity sessions where necessary.
- 67. Care home provision in Middlesbrough currently stands at 30, Council-commissioned homes. The total bed capacity is 1566, with 1132 currently being utilised using a variety of funding methods.

- 68. 26 homes employ a dedicated Activities Co-ordinator, although this is not a mandatory position and the Council cannot impose it. Some care homes expect their staff to provide activities as part of their core role. However, the majority prefer to employ dedicated Activities Co-ordinators to ensure that activities are not delayed or postponed. Activities are provided as part of care home fees, with external agencies also providing activities.
- 69. The activities delivered in care homes include: Arts and crafts; Board games; Hand massage; and Indoor golf. External activities are also offered, including: Bowling; Pantomimes; Visits to the cinema (dementia friendly); and Yellow Rose Dementia Café.
- 70. Activity can also be intergenerational, with some care homes having relationships with nearby schools. However, visits from schoolchildren are often seasonal and tend to link in with special occasions, such as religious holidays.
- 71. Guidelines about how many hours of activity should be used in different sized care homes are issued by the Council as follows:

Occupancy (Number of Beds)	Activity Provision (Hours Per Week)
0 - 20	20
21 - 30	30
31 - 40	37
41 - 50	42
51 - 60	45
61 - 70	48
71 - 90	54
91+	60

- 72. As part of the Council's care home monitoring arrangements, there are nine standards, one of which concerns social and leisure standards. Monitoring is undertaken twice per year with staff checking that activities have taken place, where residents have expressed a desire to participate. Staff also check that an activities programme is available and clearly on display to ensure that residents and their families are aware of what is available. Surveys are undertaken with residents once per year to ensure opportunities to participate in activities are offered, that activities are of their choice, and are made available. There are procedures in place for addressing any issues with care home standards.
- 73. The Council's Public Health teams deliver 11.5 hours of activities to older adults, including: Prevention work (such as balance and falls prevention); Tai Chi; Chair-based physical activity; and Low level circuit sessions.
- 74. With regard to the voluntary sector, Age UK Teesside operates the Phoenix Project, which is funded by Middlesbrough Council. Originally set-up as a pilot study into the value of social rehabilitation, it has since developed into a programme providing opportunities for people to spend time with others in a welcoming social environment. Activities are carried out in Community Hubs to ensure all abilities can participate, including dementia sufferers and their carers.
- 75. The programme offers a variety of activities Monday to Friday, all of which are delivered within community settings. Essentially, it is personal preference whether individuals participate, but all activities involve some element of physical exercise, in addition to the social aspect. For example: a weekly carpet bowls session currently engages participants aged 50-95 years old. Friendships have also formed outside of the group, which is excellent for social inclusion.

- 76. The Panel understands that there are various barriers to participating in physical exercise for older people, including attitudinal, cultural, familial and practical. For example: low confidence, self-esteem and/or less developed social skills could limit physical activity participation. Where possible these should be recognised, addressed and overcome.
- 77. From a practical perspective, the availability of transport after 18:00 is an issue that has been raised with the Adult Social Care and Services Scrutiny Panel previously, and one that appears to continue to present itself. This is compounded by the, sometimes, prohibitive cost of private hire taxis for older people.
- 78. The Panel is aware of different community projects providing volunteer drivers (such as those operated by Age UK, Carers Together and Tees Valley Rural Action) and feels that similar services could potentially assist in supporting older people to access physical activities.
- 79. A transport resource is currently being devised, which will potentially include transport links and Bridge Card use. A transport guide is currently being consulted on and will hopefully feed into a wider Tees Valley programme. It is hoped this will help facilitate transport matters/concerns that older people may have.
- 80. Physical activity also needs to be 'workable' into everyday life and existing commitments. By breaking targets down over a number of days, for example: 30 minutes of brisk walking five days per week to achieve 150 minutes of moderate intensity activity per week, will help to make this more achievable.
- 81. The Panel recognises the vital role of carers and the importance of supporting their health and wellbeing. Carers may feel they do not have the time to undertake physical activity, which could be looked at in relation to carer's assessments and gym membership potentially being built into support plans. This would also address any potential financial matters/concerns that a full-time carer might have.
- 82. The Panel recognises that an individual's interest and abilities will differ and some will want to undertake more exercise than others. Nevertheless, because even small amounts of movement are far better than sedentary behaviour, the Panel feels it is important to promote and encourage physical activity and the services supporting it as much as possible.
- 83. The importance of a 'whole system approach' is crucial to achieving this and to this end, the Council's Infrastructure Programme Manager provided the Panel with the following information:
 - The Council has a statutory duty to "secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway" as per the Road Traffic Act 1984;
 - Middlesbrough Council undertakes this duty through delivering a highway network fit for purpose and accessible to all, regardless of any protected characteristics. This includes installing infrastructure compliant with all legislation for accessibility (kerb heights, trip/fall hazards, etcetera), and all adopted infrastructure lit to British Standards. Officers are consulted on any new developments/installations/adaptions to ensure that Middlesbrough's network is fully connected, and that people are able to undertake required journeys;
 - A regime of inspections is undertaken to identify potential trip/slip hazards, and plans put in place to remediate any issues within a timely manner;
 - The Council administers the National Concessionary Travel Scheme, allowing pension age persons and those with mobility issues the opportunity to receive a pass to allow free bus travel. This helps to provide those with mobility impediments

access to travel; removing this as a barrier to accessing services, etcetera. The Council also provides blue badges for mobility impaired persons to allow free parking within Council car parks, and reduces limitations as to where a vehicle can be parked;

- Officers also work closely with Middlesbrough Environment City, who offer active travel training/guided walks and rides to the community, inclusive of people over the age of 65; and
- The Council provides its highway service in line with accessible for all.
- 84. Based on this information, Middlesbrough is in a strong position to support one of the simplest forms of physical activity: walking.
- 85. Free and largely available to most people, the health benefits associated with walking are well documented (e.g. Ramblers, 2020). These include:
 - Improved cardiovascular performance;
 - Lower blood pressure;
 - Reduced risk of coronary heart disease and stroke;
 - Increase in 'good' cholesterol;
 - Improved mood, sleep, a reduction in anxiety and improved self-image/confidence; and
 - Assistance with weight management.
- 86. A variety of walking groups currently operate in various settings across Middlesbrough, including parks, lakes and open spaces, Middlesbrough Sports Village, and the town centre. A series of local history walks has also recently commenced. Wider infrastructure, such as effective street lighting, and how this assists/encourages older people to participate in activities is recognised. It is possible that effort could be made to consolidate these diasporic walking groups to increase numbers, improve socialisation and offer a greater choice of venue/location.

TERM OF REFERENCE C:

TO EXPLORE EFFECTIVE STRATEGIES, INTERVENTIONS AND PROJECTS TO FURTHER DEVELOP SERVICE PROVISION

- 87. A significant amount of work is taking place in respect of this topic, offering an insightful snapshot. In this respect, the Panel has received excellent evidence, and would welcome further updates in the future.
- 88. As part of evidence relating to multi-agency working, the topics of crime, perception of crime and Anti-Social Behaviour (ASB) were raised. In this regard, Everyone Active and Sport England LDP teams are currently working with Cleveland Police to address issues of concern. For example, looking at a 'whole system approach' to the provision of secure lighting, CCTV and Street Warden presence at leisure/public venues.
- 89. In terms of building upon the success of the walking groups already in existence, linking these up further would increase participation and provide additional opportunity for social interaction. In developing this further, a resources guide, outlining organised walking routes/schedules, for example, could be created for use by older people, their relatives and friends. This could be made available in public buildings and on the Council's website.
- 90. Incentives could assist with behavioural change and participation in physical activity, but only to a certain degree. Rewards and incentives may motivate individuals to undertake physical exercise if offered appropriately. Continual encouragement by way of social support (e.g. improved friendships through attendance at walking and luncheon groups) should be undertaken, as opposed to sole reliance upon one-off incentives, such as 'participate for a free gift'.

- 91. It is appreciated that care homes are private entities, but the Panel supports the view that it would be beneficial for a forum to be established to bring together the 26 care home Activities Co-ordinators, Adult Social Care and Public Health professionals to share ideas about future work opportunities.
- 92. In terms of the Local Authority's commissioning of care providers, the Panel feels there is opportunity for development in this area. For example, when the Local Authority's contracts with care providers are due for renewal, consideration could be given as to how physical activity provision and monitoring could be built into future contracts.
- 93. Where possible, Elected Members should be involved in the development and promotion of physical activity provision, such as Members' briefings and community events.
- 94. Data and other insight information is available from the 'You've Got This' team upon request, and a Community Investment Programme will be established. This will provide an opportunity for groups with ideas to increase physical activity to bid for small grant funding. All groups/organisations are highly encouraged to apply to the team.
- 95. The Panel feels that it would be beneficial, from Everyone Active's perspective, to ascertain the level of demand for gym use for people over the age of 65, and then consider ways to meet this demand (through consultation or focus group activity, for example).
- 96. Regarding intergenerational activities and the positive impact that these could potentially have on older people, the Panel feels that there is scope to undertake further scrutiny around this topic.
- 97. With regards to supporting older carers, consideration could be given towards potentially incorporating gym membership into care plans, or providing concession membership rates at sport and leisure venues.
- 98. Public Health teams are currently working in partnership with Ageing Better Middlesbrough (ABM) and other key organisations in respect of an Age-friendly Middlesbrough initiative. ABM is leading on the initiative, which has been allocated funding from the Big Lottery Fund to achieve the vision of making Middlesbrough an Age-friendly Town. The application is due to be submitted to the World Health Organisation (WHO) in the near future.
- 99. ABM's steering group has identified some priority areas, including sufficient public toilet provision for older people visiting the town centre. A map of general toilet facilities could be created and displayed prominently (as demonstrated in other towns and cities such as Manchester).
- 100. In addition to toilet provision, the Panel also recognises the importance of seating for older people in the town centre. A national 'Take a Seat' campaign is currently being undertaken. This initiative encourages businesses to allow people to sit on branded furniture, have a glass of water and use the toilet. This could be supported locally by promoting the campaign via the Marketing and Communications team (e.g. on the Council's website and in the 'Love Middlesbrough' magazine).

UPDATE – SEPTEMBER 2020 – COVID-19

101. This report was due to be considered by the Scrutiny Panel Members on 18 March 2020. However, following the outbreak of the COVID-19 pandemic, this was not possible.

- 102. The Scrutiny Panel met on 29 July 2020 to consider next steps in respect of the investigation, and agreed that a further meeting would be held to receive an update from officers. This information, which was conveyed to the Panel on 16 September 2020, is covered in the following paragraphs (nos. 103-122).
- 103. At the 16 September 2020 meeting of the Panel, Members were advised that in the period since March 2020, the following work has taken/currently taking place to help keep older people active:

Provision

- A booklet had been developed by colleagues in Sheffield containing exercises for older people to undertake at home. The booklet was well received by older people in Sheffield, which resulted in Public Health England publishing the booklet nationally. Middlesbrough Council had been provided with 5,000 booklets to be distributed evenly between older people in Middlesbrough and Redcar and Cleveland, who did not have or wish to have a computer and/or phone. The booklet had also been made available online (see Appendix 3).
- There had been a number of requests for digital content from the Public Health team, however, following a strategic decision being made that filming would be difficult, it was agreed that quality assured material would be used and circulated. Consequently, the team developed an online resource to support this.
- The Public Health South Tees, Health Development team created a 30-day physical activity challenge, which had been distributed and made available digitally.
- The Public Health team continued to undertake support calls to the most vulnerable older people with regard to physical activity.
- During the summer months when restrictions were eased, the team worked with partners to create their own exercise videos. One member of the team, Mandy Groves (Health Development Officer), had created a 15-Minute Tai Chi session. The video was uploaded on the 'You've Got This' Facebook page and received an astonishing 195,999 views. The exercise was designed to help prevent falls as well as increasing core strength. The team also uploaded a 'step exercise' using stairs at home video, which was also very well received with 73,000 views. In terms of moving forward, the team was in discussion with corporate colleagues to purchase/utilise high quality filming equipment.
- The 'You're Got This' team have continued their work with older people. In collaboration with Middlesbrough Voluntary Development Agency (MVDA) and Redcar and Cleveland Voluntary Development Agency (RCVDA), applications are being invited from local individuals, charities, community groups and organisations across Middlesbrough and Redcar and Cleveland for its small grants programme, which supports the vision to help the least active become more active (whilst recognising the limitations of COVID-19 and social distancing). As at October 2020, the fund is currently open to bids and information can be found at the following: https://mvda.info/news/new-your-active-living-fund-help-south-tees-people-more-active

- The Public Health South Tees, Health Development Team are currently exploring digital content to appear on Channel 7 (Virgin Media channel 159), which is a local television channel entitled 'Teesside TV'. The Older Peoples' Academy in Newcastle had recently funded content to appear on 'Made in Tyne and Wear', which was also shared on 'Teesside TV'.
- Separate to 'You've Got This', Sport England have developed a fund to address three key areas: Digital exclusion; Significant Changes due to the pandemic; and Mental wellbeing. Emma McInnes (Health Improvement Practitioner) and Age UK Teesside had recently put forward a bid to address digital exclusion by producing content to appear on 'Teesside TV'. The bid was submitted to Sport England and had passed the first stage. The team is currently awaiting the outcome as to whether the bid has been approved.

Leisure Centres

- 104. In terms of reopening leisure facilities, the Panel was advised that leisure centres had closed on 20 March 2020, which was in line with Government guidance. However, a phased reopening of the centres had now commenced, with the following being undertaken to date:
 - The Middlesbrough Municipal Golf Centre reopened in June 2020;
 - Leisure centres (gyms) reopened on 1 August 2020, including outside sports activities; and
 - Swimming pools reopened on 22 August 2020.
- 105. There has been a reasonably strong return. Everyone Active, operated by SLM, expected a 50% capacity raising to 70%, which was a projection made by Sport England. 50% as a baseline took into account social distancing guidelines, as well as the confidence of service users.
- 106. SLM has strict measures in place to ensure centres are COVID-19 safe, which include hand sanitisation stations throughout the buildings, clear entrance and exit signs, and signs to highlight/remind of social distancing. Strategic risk assessments are also in place.
- 107. Sports clubs are beginning to be integrated back into leisure centres, however, their return has depended on guidance supplied by their governing bodies.
- 108. All facilities are open and the Council feels that SLM are reopening facilities to exceptional standards. Service users are asked to book a time slot and are allocated a 50-minute gym session, which allows 10-minutes for exit and sanitising. Local sports clubs have returned to the Sports Village e.g. 'T.O.F.Y Club'.
- 109. The Panel had previously raised points in relation to gym membership costs. Members were advised that, at present, gym membership is £20 per month for the first three months, and £26.75 thereafter. There are no concessions as SLM feels that their prices are competitive in comparison to other gyms. The Panel was advised that there may be an opportunity for work to be undertaken with SLM to identify potential funding for concessionary rates/discounts.

Prevention

110. In terms of rehabilitation programmes, face-to-face sessions ceased during the pandemic and have not been reintroduced as clients tend to be the most vulnerable. The team has extended their digital offer and also provide telephone support.

- 111. The Panel is aware that physical activity has many benefits, but a significant one is fall prevention. The Better Care Fund Manager provided the Panel with an overview of the Falls Prevention Strategy, which has been developed over the past three years.
- 112. The Strategy has been developed to address an increase in older people falling and being referred to the Falls Prevention team from the South Tees Hospitals NHS Foundation Trust. This strategy is a multi-tiered alliance across the Health Trust, Health, Local Authorities, voluntary organisations and partners. An online tool has been developed to help prevent falls in the home.
- 113. 'Steady on Your Feet' is the brand for the Falls Prevention Strategy, which is an online tool containing a host of resources, including a self-assessment tool which can be shared with health professionals and family members; exercise sheets and exercise videos (from the 'You've Got This' team). The underlying aim of the resource is to keep older people active to prevent falls. The team has worked closely with the 'You've Got This' team and Ageing Better Middlesbrough. The system allows for analysis of those accessing the site to be undertaken.
- 114. A 'train the trainer' initiative is currently being undertaken with the Falls Prevention team to enable those demonstrating the self-assessment tool to provide assistance to older people. There is a strong underlying message that falls are everybody's business. There is a strong communication and engagement strategy in place as it is important, particularly during COVID-19, that older people remain active to help prevent falls, which in turn will help prevent hospital admissions.
- 115. Leaflets and a paper-based version of 'Steady on Your Feet' are also available for those older people who do not have access to a computer or wish to go digital.
- 116. The Panel recognises the enormous benefit of this tool for older people and their families, and feels that leaflets would benefit from being placed in Community Hubs, once residents are able to access these services again.

Voluntary Sector Support

- 117. With regards to the voluntary sector, the Panel is aware that Age UK Teesside operates the Phoenix Project, which is funded by Middlesbrough Council.
- 118. Prior to the COVID-19 pandemic, the programme offered a variety of activities in community settings on a Monday to Friday basis. Unfortunately, these face-to-face activities had to cease.
- 119. Over the course of the pandemic, however, the Phoenix Project has supported older people who regularly attended activities. During lockdown, for example, daily/weekly welfare calls were undertaken. More recently, following the lifting of restrictions, socially distanced walking groups have been introduced at Stewart Park, which have been very well received and continue on a weekly basis.
- 120. The Phoenix Project also offers Zumba Gold classes via Zoom, and have enabled older people to join in wherever possible through support from the Rekindle Project (if they did not previously use the internet). These classes are regularly attended by 12 older people.
- 121. The Phoenix Project had also started a new social group based at Morrison's Berwick Hills, but this had recently needed to be suspended due to new COVID-19 restrictions.

122. The Scrutiny Panel is reassured by the support and activities that have been provided to older people during the COVID-19 pandemic. However, it is recognised that owing to the ever-evolving situation, activities are subject to late change/cancellation in response to infection rates and Government guidance.

CONCLUSIONS

- 123. The Scrutiny Panel reached the following conclusions in respect of its investigation:
- 124. Adults generally exercise less as they get older, despite remaining mindful of its importance. Consequently, to develop/maintain physical and mental health, promote independence and offer an improved quality of life, continual encouragement to undertake physical activity must be made wherever possible.
- 125. Opportunities for physical activity must be promoted to older adults using a range of different methods, both on-and-offline-based. This will help to ensure that all of the demographic can be successfully reached, including those who are more socially isolated and/or not accustomed to utilising IT resources. Physical activity must be promoted in a positive, engaging and motivational way, whilst also ensuring full inclusivity and accessibility to all.
- 126. Accessibility must consider the types of services and activities offered, as well as <u>how</u> these are offered and supported. Wider variables could include, for example:
 - Infrastructure e.g. how new housing developments are being designed to take into account open/green space; and provision and maintenance of street lighting and highways is designed to support older people (particularly those with sight and mobility issues);
 - Transport i.e. how provision supports older people in attending physical activity and social sessions/events (which does present issues at present);
 - Individual matters and personal concerns i.e. addressing mental and physical health matters, such as low self-esteem and lack of confidence, existing health conditions and mobility issues; and
 - Venues for activity provision e.g. using a diverse range of facilities in a variety of localities, such as Community Hubs and other public buildings, to ensure that the varying needs of the demographic can be met, and that the most lonely and socially isolated can be reached.
- 127. There are barriers that will prevent some older adults from participating in physical activity, and it is important to recognise and address these on a case-by-case basis. As a basic principle, physical activities must be readily accessible, flexible and adaptable to facilitate integration into and around varying lifestyles and commitments. Official guidance/guidelines will not be suitable for all, which must also be borne in mind when devising strategies and support initiatives for older adults.
- 128. Physical activity provision for older adults requires input from various sources to ensure successful implementation of different strategies and interventions. Public, private and voluntary sector organisations are able to offer activities, but they must be demand-led and providers must have the capacity/resources available to deliver them. There are opportunities here for collaborative/partnership working, resource/knowledge sharing and cross-party signposting.
- 129. Unfortunately, funding for physical activity provision is often limited and thus provided on a short-term basis. Consequently, providers will need to be creative in their approach to develop and deliver new strategies and interventions for older adults, which will likely include provision of less expensive/free activities for individuals to participate in. In terms

of venue hire, negotiation will need to be undertaken to ensure a mutually-beneficial position for all parties involved.

- 130. Café areas/facilities provide older adults with an ideal opportunity to both relax and socialise after physical activity, which can help reduce feelings of loneliness and/or social isolation. Combining activities, such as a local history walk with light refreshments, could assist in this regard. It is important to remain mindful, however, that provision must meet demand (as such initiatives will require funding), as well as offer commercial viability for private providers.
- 131. Walking offers an array of health and financial-based benefits for older adults, as it can be undertaken at almost any place, at any time, and is generally free of charge. The key is to empower people to feel motivated and that positive results can be achieved from it.
- 132. It is important that the role and contribution of older carers is recognised and appropriate support provided. This will help to ensure that their health and wellbeing can be maintained whilst caring for their loved ones.
- 133. Care homes are private entities and the Council cannot enforce the employment of dedicated Activities Co-ordinators within establishments, although the vast majority already do. The Council does have guidelines for the number of hours of activities provided, and regular monitoring is undertaken in this regard.
- 134. In encouraging older adults to visit town centre locations to increase their activity levels, it is important that sufficient public toilet and seating facilities are provided. These must be clearly visible and easily accessible.
- 135. Strategies and initiatives are constantly evolving in this area of work. The opportunities presented by social prescribing work, for example, will help to develop support further, as will the development of peer-led and GP programmes (e.g. volunteer befriending; dementia awareness training; and signposting to appropriate activities). To date, dementia awareness sessions have been very well received.
- 136. As detailed at paragraphs 103-122, COVID-19 has impacted significantly on the work being undertaken by services. In recognition of this, the Panel Members appreciate that the recommendations proposed below are being done so at a very difficult and ever-evolving time, and therefore projected timescales may require adjustment to reflect further Government guidance as it is received.

RECOMMENDATIONS

- 137. As a result of the information received, and based on the conclusions above, the Adult Social Care and Services Scrutiny Panel's recommendations for consideration are as follows:
 - 1. That local physical activity initiatives be developed to promote the health benefits for older people, e.g. 'Month of Walking'. These should be publicised through a combination of on-and-off-line methods. Although the exact number of activities should be determined by the service area, the Panel recommends at least four per year (quarterly), with the first four being established by Spring/Summer 2021. Such initiatives should measure participation levels to ensure that they are fit for purpose.
 - 2. That a resources guide be created for individuals and groups that shows walking routes and details planned walk schedules. This should be made available in Council buildings and on the Council's website. This guide should be created and made available by Spring/Summer 2021. Creating this guide could encourage

existing walking groups to adopt a joined-up approach to enhance the experience further for participants.

- 3. That a feasibility study be undertaken, with voluntary and community sector organisations, into the creation of a single resource showing activities available to older people in Middlesbrough. If viable, the resource should be created and made available by the end of 2021.
- 4. That Everyone Active undertakes an analysis of its membership to determine the level of demand for gym use, and the feasibility of introducing a membership tier, for over 65s. This should be completed by Spring 2021.
- 5. That a feasibility study be undertaken to establish if transport could be provided to over 65s to increase participation in physical activities. The feasibility study should include all key stakeholders, such as licensed providers and voluntary agencies, and be completed by Summer/Autumn 2021.
- 6. That, regarding dementia awareness, a further (online) training session be arranged for Elected Members by March 2021. In addition, an online training session/module should be established and placed on Middlesbrough Learns by Autumn/Winter 2021.
- 7. That explorative analysis be undertaken by Spring/Summer 2021 to establish interest levels amongst older Carers for subsidised gym membership. Should the analysis show this to be popular, subsidised gym membership should be offered when developing care packages going forward.
- 8. That a forum be established that brings together the 26 care home Activities Coordinators, Adult Social Care and Public Health South Tees representatives to share best practice; and report back to the Director of Adult Social Care and Health Integration on a quarterly-basis. This Forum should be established by Spring/Summer 2021.
- 9. That, where possible, and with immediate effect, future contracts with care providers should incorporate best practice principles for physical activity for older people.
- 10. That a map of all toilet facilities in the town centre be created to assist older people in mapping out their shopping visits. This should be displayed prominently throughout the town centre. The map should be implemented by Spring/Summer 2021.
- 11. That a list of taxi providers offering accessible taxis for older people be provided to Elected Members, and details shared via the 'Love Middlesbrough' magazine.
- 12. That, where possible, Adult Social Care and Public Health South Tees contribute to discussions and other initiatives regarding 'whole system change', to ensure that older people can participate in physical activity wherever possible.

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- R Bedford Health and Physical Activity Development Manager, Middlesbrough Council;
- J Berger Insight and Analytics Officer, 'You've Got This' (South Tees Local Delivery Pilot);
- M Fitzgerald Programme Director, 'You've Got This' (South Tees Local Delivery Pilot);
- L Grabham Head of Strategic Commissioning and Procurement, Middlesbrough Council;
- J Hartley Programme Officer, 'You've Got This' (South Tees Local Delivery Pilot);
- S Hydon Sport and Client Relationship Manager, Middlesbrough Council;
- S Lloyd Advanced Public Health Practitioner, Middlesbrough Council;
- E McInnes Health Improvement Practitioner (Ageing Well/Dementia), Middlesbrough Council;
- C Orr Infrastructure Programme Manager, Middlesbrough Council;
- E Scollay Director of Adult Social Care and Health Integration, Middlesbrough Council; and
- A Sykes Chief Executive, Age UK Teesside.

ACRONYMS

139. A-Z listing of acronyms used in the report:

- NHS National Health Service;
- ONS Office for National Statistics;
- SLM Sport and Leisure Management;
- 'T.O.F.Y' Club 'The Over Fifties Youth Club'; and
- WHO World Health Organization.

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COUNCILLOR JIM PLATT CHAIR OF THE ADULT SOCIAL CARE AND SERVICES SCRUTINY PANEL – 2019/2020

PANEL MEMBERSHIP

The Membership of the Scrutiny Panel for 2020/2021 is as follows:

Councillors J Platt (Chair), S Hill (Vice-Chair), J Goodchild, D Jones, G Purvis, D Rooney, J Walker and G Wilson.

The Membership of the Scrutiny Panel for 2019/2020 is as follows:

Councillors J Platt (Chair), S Hill (Vice-Chair; part year), D Smith (Vice-Chair; part year), C Cooke (part year), L Garvey (part year), J Goodchild, D Jones, L Lewis, G Purvis (part year), J Walker and G Wilson.

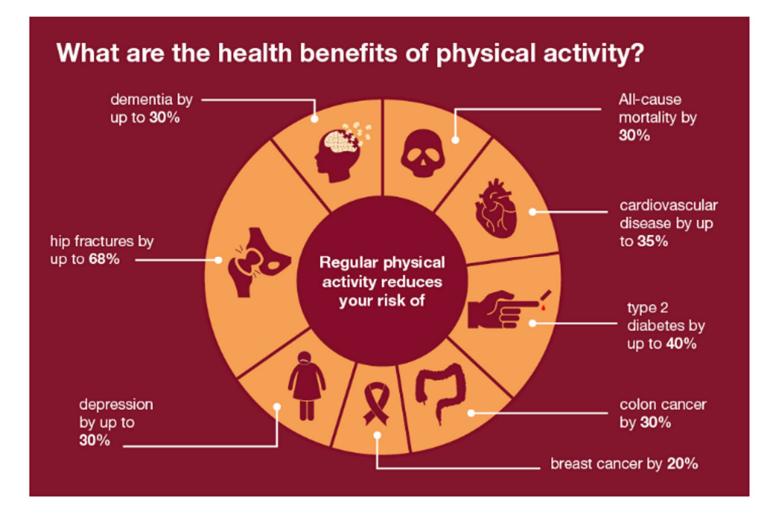
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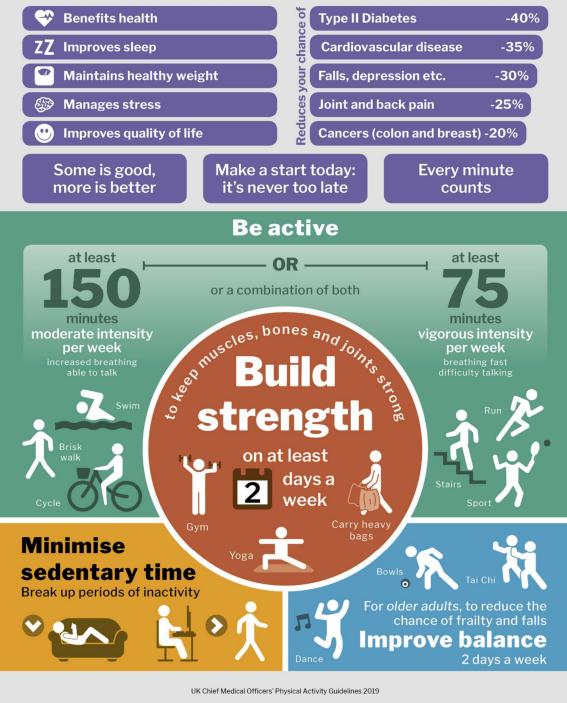
APPENDICES

Appendix 1: The Health Benefits of Physical Activity - Fig. 1



(Source: https://www.gov.uk/government/publications/physical-activity-applying-all-our-health/physical-activity-applying-all-our-health)

Physical activity for adults and older adults



(Source: https://www.gov.uk/government/publications/physical-activity-guidelines-infographics)

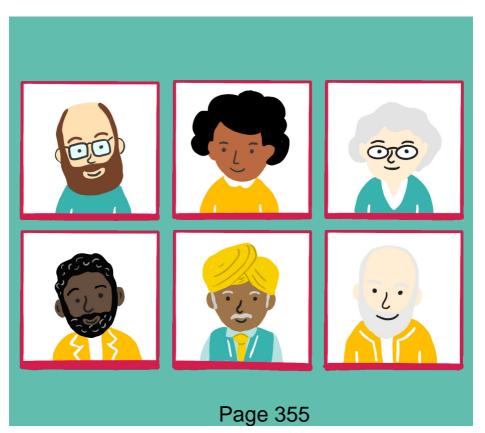
Appendix 3: Public Health - Active at Home Handbook





Active at Home

A guide to being active at home during the coronavirus outbreak



Page 356

Who is this booklet for?



This booklet has been developed to support older people and those who are shielded to be active and healthy at home.

This is part of the Sport England **Join the Movement** campaign designed to provide inspiration and trusted information to the public about how to get active in and around the home during the coronavirus pandemic.

Why is it important to stay active?

Being active is good for our physical and mental

wellbeing. This is why we should all try to move regularly, including exercises to help stay strong and steady. This particularly applies to those of us who have health conditions or are older. Due to coronavirus we are all spending more time within our home, so it is important that we find ways to build activity into our day, every day.

Over the next few weeks, you may have health and social care appointments cancelled or delayed. **If you are waiting for treatment, being active is one of the best things you can do to look after your health, as part of a healthy lifestyle.** Being active at a level that feels comfortable is unlikely to make your health worse; in fact it can help to manage many health conditions. Most of us are spending much more time within our home. This can be frustrating and upsetting, and it can be harder to be active when you can't do your normal daily activities. This guide will help you to find ways to build activity into your day. If the exercise suggested doesn't work for you, feel free to adapt them based on what you can do.

Being active every day can help to:



Keep your spirits up



Get a good night's sleep





Stay at a healthy weight



Keep your bowels regular



Reduce risk of falls & fractures



Keep you steady on your feet



Reduce risk of heart attack, stroke, diabetes & some cancers Page 358



Prevent many health conditions from worsening

The two key activity types that help are:



Strength and balance exercises

These are specific exercises that will help you to stay strong and steady your feet



Aerobic exercise

This is activity that warms you up and gets you breathing slightly harder, it will help you to stay fit and well

Safety

Being active is safe for the vast majority of people and it has many benefits for your health and wellbeing.

There are some small steps you can take to reduce the chance of problems occurring when you are exercising in and around the home.

Most people can exercise without speaking to a doctor first, especially if their medical condition is under control. However, if you get any symptoms from a heart, kidney or metabolic condition you should phone your healthcare professional to check before you start.

- 1. Prepare your exercise space by clearing away unnecessary clutter
- 2. Keep something sturdy and solid nearby for support (for example a kitchen work **Rage 359**

- 3. Have a glass of water ready to sip as you exercise
- 4. Wear well-fitting, supportive shoes that are done up, and comfortable clothing
- 5. If you are exercising on your own, keep a telephone nearby, just in case you need it
- 6. Set the pace, start exercise at a level that you find easy and build up gradually
- 7. If you experience acute or severe pain anywhere or dizziness then stop and rest
- 8. It is common for muscles to feel a bit stiff for a few days after you have used them - this is a normal response and shows that your body is responding to the increased movement
- 9. Try not to hold your breath as you exercise, breathe normally throughout



Strength and balance exercises

Muscles, bones and joints like to be moved, lack of movement causes your muscles to waste away quickly and this affects your strength and your balance.

The exercises below will help you to stay strong and steady. Aim to do these exercises 2-3 times throughout the week. You can spilt them up and do them a few at a time throughout the day, at a time that works for you. Remember to start small and build up gradually, as the exercises begin to feel easier you can increase the repetitions to 8-10. If you want to make it harder still, you can build up to 3 sets of 8-10 repetitions for each exercise.

Strength exercises can be done in sitting or standing. If you can't stand comfortably or safely, then choose the seated option.

Seated Exercises

Always warm up before you start

Sit up straight in a supportive chair, take 2-3 deep breaths in and out to calm the mind and body in preparation for the exercises.

Heel lifts



Lift heels off the floor, then place them back down. Lift toes off floor then place down. Do these slowly and fully.

Chair marching



Lift one leg at a time, as if marching. You can add your arms in too, if comfortable.

30 seconds

Pages@60nds

By the end of the warm up you should feel warmer and be breathing a little harder.

Exercises

Arm raises

Raise your arms out to the side and above your head, then slowly lower back down. Start with **3** then build up.

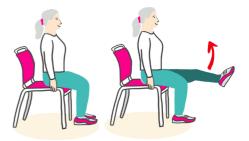
Make this harder by

going very slowly and hold for 1 second at the top before you lower your arm down.

Alternate leg extensions

Straighten out one leg in front of you, then lower slowly back down. Start with **3 each leg** then build up.

Make this harder by lifting the leg slightly off the chair as you straighten it.



Arm curls

Keep elbows into your sides, bend one arm up, then slowly lower. Alternate sides. Start with **3 repetitions on each side.**

Make this harder by holding a small weight, bottle of water of the formation of the small state of the state



Cool down

Let your breathing settle and enjoy the feeling of accomplishment!







Hamstring stretch Feel gentle stretch at back of thigh Hold for 20 seconds

Chest opening Feel gentle stretch across your chest Hold for 20 seconds

Breathe 3 deep breaths in and out

Standing Exercises

Always warm up before you start

Remember to have something sturdy, like a work surface, next to you. Use it to stay steady and safe.

Marching



Slow march on spot, gradually lifting the knees slightly higher, or by marching a little faster and adding arms in. **30 seconds**

Shoulder rolls



3 each way

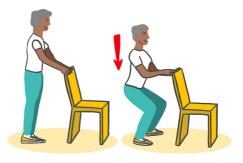
You should feel warmer and begreathing a little harder now.

Exercises

Mini squats

Stand tall, slowly bend your knees keeping your body upright. Push up and return to standing Start with **3 repetitions** then build up.

Make this harder by going a further into the squat, and holding for longer.

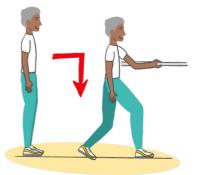


Small lunges

Take a small step forward and bend both knees. Push back into standing. Start with **3 repetitions** each leg and build up.

Make this harder by

stepping further forward, ensuring you return from the lunge position in one steady step backwards.

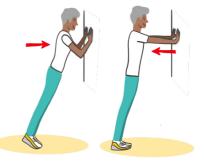


Wall press up

Slowly bend both arms so that your nose moves closer to the wall. Slowly push back into standing. Start with **3 repetitions** then build up.

Make this harder by

moving very slowly and Progeni364



Heel/toe raises

Push up onto your toes, keeping bottom in, then slowly lower back down. Do these slowly whilst maintaining good posture. Start with **3 repetitions** and build up.



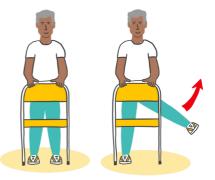
Make this harder by lowering down very slowly.

Sideways leg lift

Lift one leg slowly out to the side keeping your upper body straight. Slowly lower back down. Start with **3 repetitions** each leg then build up.

Make this harder by

moving the leg very slowly.



Cool down

Let your breathing settle and enjoy the feeling of accomplishment!



Hamstring stretch Hold for 20 seconds



Chest opening Hold foP20gec3655

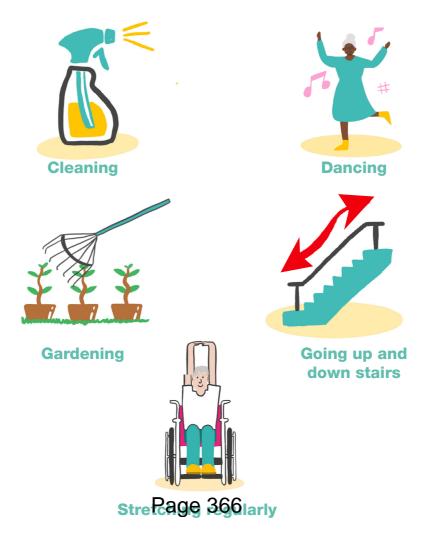


Breathe 3 deep breaths

Ways to build activity into your day

As well as doing these exercises 2-3 times a week, **try to avoid any long periods of inactivity and find ways to build movement into your day, every day.** Any movement is good, particularly if it makes you feel a little bit warm and makes you breathe a little faster.

Here are some ideas of ways to stay active at home:



Staying healthy

A few other things that will help you to stay as healthy and happy as possible during this period:





Wash your hands

using soap and hot water, for at least 20 seconds, regularly throughout the day

Stay connected

with phone calls, letters, emails, text messages or a cheery wave from the window

Limit intake

of foods and drinks that are high in fat, salt and sugar



Consider taking a Vitamin D supplement of 10 micrograms a day for healthy muscles and bones, if you aren't often outdoors

Stick to regular mealtimes and eat a balanced diet that includes a variety of:

- fruit and vegetables (fresh, frozen, tinned, dried or juice)
- starchy foods (bread, cereals, potatoes, pasta or rice)
- beans, pulses, fish and meat
- two portions of fish per week, one of which should be oily
- dairy products (milk, yogurt, cheese)
- oils and spreads (choose unsaturated and use in moderation)

If you are struggling to eat well, switch to smaller meals and frequent snacks

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Take your prescription medicine

regularly and ensure that you have at least two weeks' supply

Dav Jup

Keep your mind active

with crosswords, puzzles and letter writing



Stay hydrated

by aiming to drink 6 - 8 glasses of water a day



Limit alcohol and don't smoke

Limit your alcohol intake to no more than (and ideally less than) 14 units in a week, and support is available to help you stop smoking too



Prioritise your sleep

going to bed and waking up at a regular time can really help and make sure you give yourself time to wind down before bed

It is normal to feel worried and anxious

about yourself and your loved ones during the coronavirus outbreak. Focus on the things you can control rather than the things you can't. **This might mean focusing on getting into a routine and taking small practical steps each day to do what you need to do. Stick to trusted sources of information** and if news stories make you feel anxious, think about switching off for a while.

If you have coronavirus symptoms (new persistent cough and/or high temperature) and need help, or have been told to report symptoms, visit vRagel 368hs.uk or call NHS 111

Planning your day

The days can feel very long when you are at home so much. Having a couple of goals each day and planning your day in advance can help; it will remind you to move around during the day too. Here's an example:

O GOALS 1) Write letter to Joy 2) Tidy kitchen drawers

Get up and get dressed 10 minutes of exercise

Breakfast

Tidy and dust one room Puzzles or letter writing 10 minutes of exercise Favourite TV programme or radio

Lunch

Weed and water pots Hobbies like sewing, DIY, reading 10 minutes of exercise Prep for teatime

Tea

Deep breaths and relaxation Phone a friend or family member Relax, it's been a busy day!

Try to do things that you LOVE to do, as well as the things you NEED to do

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Staying safe at home

Moving around less can make you less steady on your feet. Falls are common and can result in injury and frustrating periods of reduced independence.

Simple tips to make your home safer:

- use a nightlight in the bedroom, a bedside light or a torch by the bed in case you need to get up in the night
- when you first wake up, sit on the edge of the bed and do a few seconds of marching with the legs to get the blood flowing. This will reduce your chance of dizziness when you stand up
- keep stairs and steps free of clutter
- keep floors clear of trailing wires, wrinkled or fraying rugs and carpets, or anything else you might trip or slip on
- keep active strength and balance exercises have the best effect for making you steadier on your feet
- stand up slowly if you have been sitting for a while, and count to 10 before setting off

What to do if you fall

If you do have a fall, lie still for a minute, try to stay calm and check yourself for injuries.

If you know you can't get up, or feel pain in your hip or back, then try to call for help using purphaneor pendant alarm, or by

banging on radiators or walls until help arrives. Try to keep warm by covering yourself with whatever is close by, keep moving your limbs and roll from side to side if you are able to. If you need urgent medical help, you should call 111 or in an emergency 999.

If you are unhurt and think you can get up, then you should:

- 1. Roll onto your side, and then push up onto your elbows
- 2. Use your arms to push yourself onto your hands and knees
- 3. Crawl towards a very stable piece of furniture (a sturdy chair or bed) and hold onto it for support
- 4. Slide or raise the foot of your stronger leg forwards so it's flat on the floor
- 5. Lean forwards and push up using your arms and front leg, slowly rising to a standing position
- 6. Turn around and sit down. Sit for a minute or two and catch your breath.

Even if you are unhurt, make sure that you tell a healthcare professional or carer that you have fallen.

Useful contacts

NHS 111 111 or 111.nhs.uk If you have any concerns

about your health

Rethink Mental Illness advice and help line 0808 801 0440

For support with issues related to mental health and wellbeing

Citizens Advice 03444 113 111

Provides support and assistance on a wide range of issues

Age UK 0800 169 65 65

Provides advice and information for older people

Silver Line Helpline 0800 470 80 90

If you are aged 55 or over, call for a cheerful chat, day or night.

Samaritans 116 123

If you want to talk through any concerns, worries and troubles

Local information:

Useful websites

We Are Undefeatable www.weareundefeatable.co.uk Support for those of us with health conditions to become more active

Join the Movement

www.sportengland.org/news/join-movement

Ideas for all on how to stay active during the coronavirus outbreak

10 Today https://www.bbc.co.uk/programmes/p087wddm Includes short ten minute roughes to get you stretching and moving

We would value your feedback on this booklet.

If you are happy to be contacted please text the word ACTIVE to 07860 033 611 by 31 August 2020.

We will then get in contact with you via your mobile phone. You can opt out at any time without giving any reason.

It is really important that we let you know that text messages to this number are charged at your standard text messaging rate. You will also still be charged if you text after the deadline. Texts sent without the keyword or where the keyword is misspelt will not reach us and will still be charged. All information will be handled in accordance with Sheffield Hallam University's information governance policy and we will never share your data with third parties



This booklet has been jointly prepared by Public Health England, Sheffield Hallam University (SHU) and the National Centre for Sport & Exercise Medicine (NCSEM) to provide useful information to support people to stay physically active during isolation. PHE, SHU & NCSEM have taken their reasonable endeavours to ensure that the content of this booklet is, to the best of their knowledge, accurate at the time of printing.

Before following any exercise or health guidelines, consult with a health professional if you: consider it necessary; have any concerns about your health; or are not sure whether the exercises are suitable.

PHE, SHU & NCSEM cannot be held liable or responsible for any injury, loss or damage of any kind (including, any direct, special, indirect or consequential damages) arising out of or in connection with the use of this booklet. The mentioning or inclusion of any trade names, websites, companies, or reference to any products or services or publications does not necessarily constitute or imply an endorsement or recommendation by PHE, SHU, NCSEM or Sport England.

ADULT SOCIAL CARE AND SERVICES SCRUTINY PANEL PHYSICAL ACTIVITY FOR OLDER PEOPLE (AGED 65-PLUS) - ACTION PLAN

16 FEBRUARY 2021

	SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
Page 375	That local physical activity initiatives be developed to promote the health benefits for older people, e.g. 'Month of Walking'. These should be publicised through a combination of on-and-off-line methods. Although the exact number of activities should be determined by the service area, the Panel recommends at least four per year (quarterly), with the first four being established by Spring/Summer 2021. Such initiatives should measure participation levels to ensure that they are fit for purpose.	 Public Health routinely deliver a number of campaigns annually, usually aligned to those implemented by national organisations (e.g. Sport England, Public Health England) – our role is to amplify that in the local area using our community assets and social media channels. Whilst these campaigns may not be specifically targeted at older people, the local amplification of them allows for this by targeting the messages via appropriate assets (e.g. Age UK Teesside). We deliver at least four of these campaigns a year – for example, in 2020 we amplified the following campaigns from local or national partners: This Girl Can (Sport England) We Are Undefeatable (Public Health England) Better Health (Public Health England) Your Personal Best (You've Got This) Additionally, Age UK Teesside have been supported to access £50,000 of Sport England funding to roll out physical activity content on Teesside TV (channel 7 on Freeview) – the first burst of this was in November and December 	Scott Lloyd (Advanced Public Health Practitioner)	Nil – amplification of national campaigns via local assets and on social media.	To be reviewed in September 2021

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SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
	and is being repeated through January and February. The success of such campaigns is measured by changes in awareness of the target behaviour and if people can recall the campaign. These data tend to be based on national samples, but the results can be shared with local partners on request.			
That a resources guide be created for individuals and groups that shows walking routes and details planned walk schedules. This should be made available in Council buildings and on the Council's website. This guide should be created and made available by Spring/Summer 2021. Creating this guide could encourage 20 existing walking groups to adopt a joined-up approach to enhance the experience further for participants.	A walking guide is produced annually by Middlesbrough Environment City. We will work with the panel to make improvements to this resource in the future and to promote through a wider range of channel targeting older people including through aging better Middlesbrough The Council is working with partners to design a range of Heritage trails which will be available in digital and print format. The first heritage trial is completed and a further 2 under development centred on Leisure and Pastimes (encompassing cinemas, dance halls, clubs, pubs, shops. winter gardens, theatres and concert venues) and a Boro trail (Ayresome Park to the Riverside taking in a walk through Albert Park). This will be completed by Spring 2021 and will be shared widely with existing walking group and well as potentially leading to the development of new groups.	Scott Lloyd (Advanced Public Health Practitioner)	Already resourced	August 2021 June 2021
That a feasibility study be undertaken, with voluntary and community sector organisations, into the creation of a single resource showing activities available to	There are a number of databases that have been created to perform this task (e.g. <u>https://www.teesvalleysport.co.uk/sports-</u>	Scott Lloyd (Advanced Public Health Practitioner)	Nil	December 21

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
older people in Middlesbrough. If viable, the resource should be created and made available by the end of 2021.	 <u>directory/</u>) as well as Social Prescribing platforms/directory. We propose working with Aging Better and Age UK to ensure existing resources are accessible to and include opportunities for older people. 			
That Everyone Active undertakes an analysis of its membership to determine the level of demand for gym use, and the feasibility of introducing a membership tier, for over 65s. This should be completed by Spring 2021.	 SLM are working with the council on their post COVID-19 recovery plan. This will include consideration and implementation of a membership pricing policy that reflects the needs of the community, the commercial viability of the centres (and wider contract) and the availability of COVID-19 recovery and other funding opportunities. Overall, the leisure contract was won by SLM via a competitive process and operates on a very tight financial envelope, meaning that they have to protect their income levels. They will work with any specific group or organisations that presents itself as facing challenges to participation. SLM will work, alongside partners, to assist these groups or organisations to tackle their specific challenges to participation. 	Scott Hydon (Sports and Leisure Contract and Development Manager)	Unknown	October 2021
That a feasibility study be undertaken to establish if transport could be provided to over 65s to increase participation in physical activities. The feasibility study should include all key stakeholders, such as licensed providers and voluntary agencies, and be completed by Summer/Autumn 2021.	It is not recommended that this is perused based on the following: Transport for accessing physical activity was identified as a barrier for older people in the insight work done by You've Got This, but this was by a specific group (who previously used a dedicated bus) and it was a minor issue	Scott Lloyd (Advanced Public Health Practitioner)	N/A	N/A

	SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
		compared to the bigger barriers such as fear of or actual crime levels.			
		Where transport is identified as a barrier, colleagues would actively work with a group to identify the need and then potential sources of funding if appropriate.			
		Middlesbrough has a network of well utilised bus routes, which link with facilities particularly in the town (e.g. The Live Well Centre).			
Page 378	That, regarding dementia awareness, a further (online) training session be arranged for Elected Members by March 2021. In addition, an online training session/module should be established and placed on Middlesbrough Learns by Autumn/Winter 2021.	We will arrange a further online training session on dementia awareness for Elected Members by March 2021 and establish a resource on Middlesbrough Learns by November 2021.	Emma McInnes (Health Improvement Specialist)	In-house skills and capacity	March 2021 and November 2021.
	That explorative analysis be undertaken by Spring/Summer 2021 to establish interest levels amongst older Carers for subsidised gym membership. Should the analysis show this to be popular, subsidised gym membership should be offered when developing care packages going forward.	SLM are working with the council on their post COVID-19 recovery plan. This will include consideration and implementation of a membership pricing policy that reflects the needs of the community, the commercial viability of the centres (and wider contract) and the availability of COVID-19 recovery and other funding opportunities.	Scott Hydon (Sports and Leisure Contract and Development Manager)	Unknown	October 2021
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SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
	participation. SLM will work, alongside partners, to assist these groups or organisations to tackle their specific challenges to participation.			
That a forum be established that brings together the 26 care home Activities Coordinators, Adult Social Care and Public Health South Tees representatives to share best practice; and report back to the Director of Adult Social Care and Health Integration on a quarterly-basis. This Forum should be established by Spring/Summer 2021.	Public Health colleagues will facilitate a forum in partnership with Adult Social Care. This will meet on a quarterly basis and include opportunities for sharing and invited presentations by relevant experts and case studies.	Robin Bedford (Health and Physical Activity Development Manager)	Nil	Summer 2021
That, where possible, and with immediate effect, future contracts with care providers should incorporate best practice principles for physical activity for older people.	In consultation with Commissioning Officers, a best practice clause will be developed and agreed. Following this, consideration will be given to which contracts to include the best practice clause in at contract issue/renewal.	Scott Lloyd (Advanced Public Health Practitioner)	Nil	April 2021 July 2021
That a map of all toilet facilities in the town centre be created to assist older people in mapping out their shopping visits. This should be displayed prominently throughout the town centre. The map should be implemented by Spring/Summer 2021.	Information on where to access standard male and female toilets, accessible toilets, ambulant disabled toilets and changing places toilets is included on the Middlesbrough Council website. We will seek funding to design and produce a toilet map to be displayed in designated areas in the Town Centre. Insight work is taking place with Businesses that offer toilet facilities and those signed up to 'Please have a seat' campaign initiative, who also offer access to toilets, to get consent for inclusion on toilet map.	Emma McInnes (Health Improvement Specialist)	£300 - £500 for design and printing costs	Spring/Summer 2021

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
That a list of taxi providers offering accessible taxis for older people be provided to Elected Members, and details shared via the 'Love Middlesbrough' magazine.	A list of the vehicles that have been designated as wheelchair accessible under Section 167 of the Equality Act 2010 are listed on the Middlesbrough Council website Dementia Friends Session have been delivered to approximately 40 Boro Taxi Drivers. Plans are underway to arrange virtual sessions to all drivers and has been discussed with Tim Hodgkinson as a priority for licenced taxi drivers.	Emma McInnes (Health Improvement Specialist)	Nil	September 2021
That, where possible, Adult Social Care and Public Health South Tees contribute to discussions and other initiatives regarding 'whole system change', to ensure that older people can participate in physical activity wherever possible.	To be progressed as part of You've Got This, the Sport England Local Delivery Pilot which is now funded through to 2025.	Scott Lloyd (Advanced Public Health Practitioner)	External resource	To provide an update by September 2021