

EXECUTIVE

Date: Tuesday 13th April, 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 [Youtube channel](#) at 1.00 pm on Tuesday 13th April, 2021

1. Apologies for Absence
 2. Declarations of Interest
 3. Minutes - Executive - 16 March 2021 5 - 12
- DEPUTY MAYOR AND LEAD MEMBER FOR CHILDREN'S SOCIAL CARE**
4. Youth Services Update 13 - 16
- EXECUTIVE MEMBER FOR ADULT SOCIAL CARE AND PUBLIC HEALTH**
5. Care Home Brokerage and Trusted Assessor 17 - 24
 6. Changing Futures Funding Opportunity 25 - 38
- EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE**
7. Community Asset Transfers 39 - 50
 8. Community Benefit Arising from Asset Disposal 51 - 66
 9. Tender Pipeline Approval 2021/22 67 - 76
- EXECUTIVE MEMBER FOR REGENERATION**
10. Boho Residential Site - Marketing and Disposal 77 - 90
 11. Future High Streets Fund - Town Centre Property and Asset 91 - 98

Management (PART A)

12. Any other urgent items which in the opinion of the Chair, may be considered.
13. Exclusion of the Press and Public

To consider passing a Resolution Pursuant to Section 100A(4) Part 1 of the Local Government Act 1972 excluding the press and public from the meeting during consideration of the following item on the grounds that if present there would be disclosure to them of exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

14. **Exempt - Future High Streets Fund, Town Centre Property and Asset Management (PART B)** 99 - 112
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Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Thursday 1 April 2021

MEMBERSHIP

Councillors A Preston (The Mayor) (Chair) and Councillors 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

EXECUTIVE

A meeting of the Executive was held on Tuesday 16 March 2021.

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

PRESENT BY INVITATION: Councillors A Hellaoui, T Higgins, J Thompson and G Wilson

OFFICERS: M Adams, C Benjamin, S Butcher, B Carr, G Field, L Grabham, R Horniman, S Lightwing, G Moore, T Parkinson, S Reynolds and E Scollay

20/118 **DECLARATIONS OF INTEREST**

Name of Member	Type of Interest	Item/Nature of Interest
Councillor D Davison	Non-Pecuniary	Agenda Item 8 - Acceptance of the Holiday Activities Fund 2021 Grant/ family member may be involved in the delivery of activities, funded by the grant.

20/119 **MINUTES - EXECUTIVE - 9 FEBRUARY 2021**

The minutes of the Executive meeting, held on 9 February 2021, were submitted and approved as a correct record.

20/120 **MINUTES - EXECUTIVE - 16 FEBRUARY 2021**

The minutes of the Executive meeting, held on 16 February 2021, were submitted and approved as a correct record.

20/121 **MINUTES - EXECUTIVE - 26 FEBRUARY 2021**

The minutes of the Executive meeting, held on 26 February 2021, were submitted and approved as a correct record.

20/122 **CHILDREN'S SERVICES IMPROVEMENT PROGRAMME: OVERVIEW OF PROGRESS NOVEMBER 2020 - FEBRUARY 2021**

The Deputy Mayor and Lead Member for Children's Social Care and the Executive Director for Children's Social Care submitted a report for the Executive's consideration. The purpose of the report was to provide an overview of the strategic and operational actions that had been undertaken from November 2020 to February 2021 against the Children's Services Action Plan 2020/21.

The report covered the period from November 2020 to February 2021 i.e. from the time when Middlesbrough's Children's Commissioner carried out his virtual visit to gather information for his second report for the Minister, until the beginning of the focus on reviewing and revising the action plan for year two of the Council's improvement programme. The submitted report was not exhaustive but covered the most significant issues of improvement work during the named period.

It was important to note that the work represented by the report had all been carried out in a COVID lock down period with the accompanying stresses and strains that brought to the families that Children's Services were working with but also its workforce.

The submitted report contained details on:

- Quality and Performance, which included information on social workers' and social

care workers' caseloads, Futures for Families (FFF), the number of children looked after by Middlesbrough Council, the Children with Disabilities (CWD) Service, vulnerable children's attendance at school and care leavers (see paragraphs 5 to 16 of the submitted report);

- Leadership and Management, which included information on the 'Middlesbrough Children Matter' website, the Corporate Parenting Strategy, the Children's Workforce Development Strategy (2021-24) and the Youth Service tender process (see paragraphs 17 to 20); and
- Governance and Partnerships, which included information on the DfE review and the Ofsted inspection (see paragraphs 21 to 23).

ORDERED

That the overview of the strategic and operational work undertaken between November 2020 and February 2021, in line with the Children's Services Improvement Action Plan 2020/21, be approved.

REASON

It was crucial that members of the Executive had a line of sight into the strategic and operational work being undertaken in line with the Children's Services Improvement Action Plan 2020/21.

20/123

CORPORATE PARENTING STRATEGY

The Deputy Mayor and Lead Member for Children's Social Care and the Executive Director for Children's Social Care submitted a report for the Executive's consideration. The purpose of the report was to request ratification and support for the Corporate Parenting Strategy.

The Corporate Parenting Strategy set out the vision and action plan for how the Council and its partners planned to support children and young people who were in care and care leavers to achieve the best possible outcomes. Transforming the approach to corporate parenting was a key priority for the Council, as part of its wider improvement programme across its whole system of support for children and young people in Middlesbrough. The Council's progress in delivering positive change for children in care and care leavers was a particular focus for the Strategic Multi-Agency Improvement Board, with support and challenge from the DfE and Ofsted.

The strategy had been directly informed and shaped by the active involvement of local children and young people who had contributed their views and ideas based on their personal experiences, their aspirations and ambitions.

Attached at Appendix 1 of the submitted report was a copy of the Corporate Parenting Strategy 2020-2023.

A discussion ensued and Members commented on:

- the importance of elected members demonstrating that they care about what happens to their looked-after children and care leavers by taking their corporate parenting role seriously; and
- the need for regular Member briefings to provide information, advice and support to elected members, enabling them to carry out their responsibilities to be good corporate parents.

OPTIONS

If the strategy was not ratified by Executive then there would not be a strategic overview of the work with children who were looked after and care leavers. That may have left them vulnerable and impacted on their life chances.

ORDERED

That the Corporate Parenting Strategy be ratified and supported.

REASONS

Devising and implementing the Corporate Parenting Strategy, and subsequently evidencing its impact, was a fundamental part of delivering Middlesbrough's Children's Services improvement plan and therefore improving outcomes for Middlesbrough's Children who were looked after (CLA). There was a clear expectation that whenever a decision was made the question was asked 'is it good enough for my child?'

20/124

ACCEPTANCE OF THE HOLIDAY ACTIVITIES FUND 2021 GRANT

The Executive Member for Adult Social Care and Public Health and the Director of Public Health submitted a report for the Executive's consideration. The purpose of the report was to provide details in respect of the Holiday Activities Fund 2021 (e.g. the delivery requirements) and request that the Council accepted the grant on offer.

Over recent years, the Government had piloted a range of approaches to delivering school holiday activities with the aim of providing free healthy meals and fun activities to disadvantaged children. In November 2020, the Government announced that local authorities would be allocated a share of £220 million to expand the Holiday Activities Fund (HAF) programme in 2021, so that it was available for every child and young person eligible for free school meals (FSM).

The grant being made available to Middlesbrough Council was:

- 2020/21 FY = £105,340
- 2021/22 FY = £942,130
- Total indicative allocation = £1,047,470

Broadly, the requirements of the HAF programme 2021 were to provide:

- healthy (hot) meals to School Food Standards;
- enrichment activities;
- physical activity and nutrition education;
- signposting and referrals to services and support that would benefit the children who attend their provision and their families (e.g. Housing Support Officers, Affordable Warmth Advisors);
- inclusive and accessible provision;
- at least 4 hours for 4 days a week - for 4 weeks in the summer, and for a week in Easter and Christmas; and
- Ofsted registered providers where appropriate.

ORDERED

1. **That delegated authority be granted to the Director of Public Health to accept the Holiday Activities Fund 2021 grant.**
2. **That the Director of Public Health in consultation with the Director of Education, Prevention and Partnership; Executive Member for Adult Social Care and Public Health and Executive Member for Communities and Education be granted delegated authority to sign off future implementation plans and allocate funding up to £150,000 per provider to deliver the Holiday Activities Fund programme.**

REASON

Poverty was a significant issue in Middlesbrough, with 31.4% of children living in low income families. The school holidays posed additional stresses on those families. The provision of the HAF programme locally, alongside other holiday hunger and wider food poverty work, would alleviate some of those stresses and benefit the children most in need, particular in terms of holiday learning loss.

20/125

TEESSAURUS PARK IMPROVEMENTS

The Executive Member for Education and Communities and the Director of Regeneration and Culture submitted a report for the Executive's consideration. The purpose of the report was to seek approval for funding of £250,000 for the proposed improvements to Teessaurus Park.

The Teessaurus Park attracted visitors from across the north and had been synonymous with Middlesbrough since its opening in 1979. The park had provided opportunities for children, families and adults to enjoy the area and the access to the river.

As with any park or leisure space, there was a constant need to update the offer and ensure that the attraction continued to support Middlesbrough's desired cultural image.

To facilitate that, a working group had been set up in 2020, which explored options for improving Teessaurus Park. A range of improvements had been identified and costings gathered and aligned to the improvement plan.

The proposed improvements to the park to be funded from the £250,000 capital investment were as follows:

- 40ft café unit to include internal toilets and customer seating, full kitchen and appliances, a serving hatch for take away refreshments (it proposed that the operation of the café would be outsourced and managed by an independent business);
- enhanced lighting throughout the park to be installed on columns and located to illuminate paths and the dinosaur sculptures;
- improved footpaths throughout the park to improve accessibility;
- mains utilities provision to the park of electricity, water and drainage;
- children's zip wire and embankment slide to help increase visitor dwell time;
- accessible children's play equipment for children with disabilities;
- installation of three CCTV cameras mounted to columns;
- motion sensors and sound system installed on columns close to dinosaur sculptures to make dinosaur sounds when visitors pass them;
- points of interest around the park (including installation of large outdoor fixed dinosaur-themed jigsaw puzzles and large dinosaur footprints);
- improved signage to direct visitors to the park from the A66;
- improved new signage around the park, including educational signage providing information on each dinosaur; and
- development of a marketing campaign to increase visitor numbers and creation of a brand for the park.

Subject to Executive approval, the improvement works would commence in late May 2021 with planning permission application, followed by a procurement exercise to tender for the purchase of the café unit and site works would be expected to commence in May and be completed in late September 2021.

A discussion ensued and Members commented on:

- the importance of providing toilets and changing facilities that could be accessed and utilised by children with disabilities;
- the need to improve access to the site in respect of public transport; and
- the need for the Director of Finance to explore alternative funding options and financial opportunities in order to deliver the improvement works.

In light of discussions, the Mayor proposed an amendment to the recommendations of the submitted report. Following a vote, Members were in agreement that, if no alternative funding options could be identified by the Director of Finance to deliver the improvement works, approval would be granted to access funds from the Capital programme, which had been agreed by full Council.

OPTIONS

An alternative option that had been considered was to leave the park in its current condition and not improve it any further. That option was not recommended as it would not have assisted with improving visitor numbers to the town and would not have provided an improved leisure offering to residents and those who work in Middlesbrough.

ORDERED

1. That work be undertaken by the Director of Finance to explore alternative

- funding options and financial opportunities in order to deliver the improvement works; and
2. That funding of £250,000, for the proposed improvements to Teessaurus Park, be approved.

REASONS

The proposal to improve Teessaurus Park was recommended to enhance, develop and further market the presence of the popular and unique visitor attraction within the town. The unique offer planned to benefit the people who lived and worked in Middlesbrough and also to enhance the town's leisure offering to visitors, aiming to increase and develop visitor attendance from the wider Tees Valley. The outlined developments would increase visitor dwell time at the park which offered large open green spaces, free admission, free car parking and led on to popular walking routes along the River Tees.

The proposed improvements would make the park more of an inclusive environment for everyone due to the improved paths and walkways and the installation of accessible play equipment for children with disabilities. The park could become a great venue to host outdoor events and educational paleontology sessions for school children could be held there.

Increased marketing and interpretation opportunities were proposed to increase awareness of the unique outdoor space, access to the river and increase the knowledge of the presence of a series of playful public art pieces within the town. It was felt that it was important to connect the park up with the wider public art plans for the town and the importance of connecting local people with cultural and heritage assets. Working with the marketing and communications team would develop a comprehensive plan to promote the park to audiences in Middlesbrough, the Tees Valley and the Wider North East Region.

Sponsorship for some improvements could be explored with local businesses and a marketing campaign could be developed to identify a brand for the park and to increase awareness of the site.

Overall, the proposed developments planned to improve the much-loved leisure facility, which was truly unique in the Tees Valley and North East of England and growing on the Council's reputation of offering high-quality green spaces. It would be the aspiration to work towards green flag award ensuring Middlesbrough continued to develop vibrant opportunities.

Initial stakeholder consultation had been undertaken with the Executive Member for Culture and Communities and the Executive Member for Environment and was not statutorily required.

The proposal to improve Teessaurus Park had not been examined by the Overview and Scrutiny Board or by a Scrutiny Panel.

20/126

IMPROVE RECYCLING RATES AND PARTICIPATION ACROSS MIDDLESBROUGH

The Executive Member for Environment and the Director of Environment and Community Services submitted a report for the Executive's consideration. The purpose of the report was to seek approval for the implementation of a Recycling Education and Communications Plan.

To enable Middlesbrough Council to improve recycling there was a need to change residents' behaviours/attitudes towards recycling.

Key milestones were to be incorporated into the plan, to enable a measurement of performance against the intended outcomes:

- develop a communications and marketing plan by June 2021;
- develop an education plan to raise awareness of recycling across Middlesbrough by June 2021;
- develop a plan to work with education establishments commencing July 2021;
- begin working with schools on Waste Minimisation and Recycling commencing

- September 2021; and
- to have an active schools environmental sustainability programme with all schools by July 2023.

The Council planned to embark on a substantial education and awareness programme where it would look to work with external stakeholders to assist them in forming relevant/practical solutions to improve their recycling rates.

To go alongside the education programme, the Council planned to undertake a comprehensive communications and marketing plan.

In response to a Member's query, it was advised that regular updates would be provided to councillors on waste and recycling statistics.

ORDERED

That the proposal for an Education and Communications Plan, to increase recycling across Middlesbrough, be approved.

REASON

The proposed changes planned to support the Council's Green Strategy and therefore aid achieving a Net Carbon Neutral status by 2029. It would improve the Council's current recycling rate toward the current Government target of 50% by 2020. NB, the Government was currently reviewing that target as part of the resource waste strategy. It would also embed the vision of the Council to be the lead authority on all environmental issues.

20/127

VOLUNTARY REGISTRATION OF LAND AT THE AVENUE, NUNTHORPE AS A VILLAGE GREEN

The Executive Member for Regeneration and Director of Regeneration and Culture submitted a report for the Executive's consideration. The purpose of the report was to request approval to submit an application seeking the voluntary registration of land at The Avenue, Nunthorpe as a Village Green.

The Avenue site was a Council owned open space of 2.74 Ha (6.76 acres). It was used for informal recreation and formed a valuable amenity space serving the Nunthorpe community. The site was protected as primary open space within the Council's Local Plan (2014). In recognition of the importance of the open space to the local community, approval was now sought to voluntarily designate the site as a Village Green.

Section 15(8) of the Commons Act 2006 made provision for landowners to voluntarily seek to have their land registered as Village Green if they so wished. The process for doing so involved submitting to the registration authority the required application form, with accompanying site plan and a statutory declaration that the applicant was the landowner. The required application form and accompanying documentation had been included at Appendix 1 of the submitted report. An application for voluntary designation could not be rejected by the registration authority. The Council was the registration authority and any application for designation would need to be considered by the Licensing Committee.

Once registered as Village Green, the land would be protected from development or change. Registration of land as a Town or Village Green meant that the residents of the locality would have the right to use the land for lawful sports and pastimes.

OPTIONS

Two alternative options had been considered:

- 1. to retain current designation and status of the land without Village Green registration; and**
- 2. that the land be designated as Local Greenspace in the forthcoming Local Plan review. Whilst that offered more protection than the current status of the land, the designation could have been removed via a subsequent review of the Local Plan.**

ORDERED

That an application seeking the voluntary registration of land at The Avenue, Nunthorpe as a Village Green be approved.

REASON

The land at The Avenue, Nunthorpe was a valued open space resource that benefitted the local community. Village Green status recognised its importance and role in the local community and represented the most appropriate course to seek to protect it in perpetuity.

20/128

COUNCIL FUTURE OFFICE ACCOMMODATION - PREFERRED OPTION (PART A)

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 building options that had been explored for the future accommodation of Council Staff and request approval for:

- a) a departure from Centre North East (CNE) being considered the preferred option due to changing circumstances;
- b) Fountains Court being the preferred option for the future accommodation of staff;
- c) the purchase of Fountains Court; and
- d) a delegated decision to the Director of Regeneration and Culture, Richard Horniman, and the Director of Finance, Ian Wright, with regard to expending the £200,000 contingency set aside in the investment strategy, should it be required.

Fountains Court was proposed as the preferred option, the key benefits of the option being that:

- a) The building had recently been vacated by Firstsource, therefore purchasing and occupying the building would prevent long-term vacancy, thus helping to meet the Council's regeneration objectives.
- b) It offered the space and layouts required for staff. At approximately 38,000 sq. ft it could accommodate approximately 335 desks (5 per 10 people) and all previously assumed services, with the exception of the Customer Centre which would remain on the ground floor of Middlesbrough House. Furthermore, the building offered the flexibility to extend with modular space if required in the future.
- c) As the building would be fully occupied by the Council, there was no requirement for the Council to let the vacant space. That in contrast to the CNE option whereby the Council would be taking a commercial risk on vacant space needing to be let.
- d) A recent building survey had confirmed the building was in sound condition and although it required refurbishment, it would be possible to achieve a very high standard of fit out and an excellent working environment for staff. As it was by far the most economical option to purchase, a good proportion of the investment could be allocated to ensuring a high internal specification.
- e) It was by far the most economically advantageous option. Further due diligence and survey work needed to be undertaken to fully understand the costs, but it was anticipated that the cost of the purchase and fit out of the building could be accommodated within the original fit out budget for One Centre Square. If the detailed due diligence subsequently identified that could not be achieved, a request for an additional allocation of funding would be made prior to work starting. A saving of up to £6.8m would be made when comparing Fountains Court to a generic new build option of the same net internal area.
- f) Moving to Fountains Court would be achieved in a shorter timescale than the other options, particularly any new build options. It was estimated staff could begin to relocate there in autumn 2022.

If approved, the next steps would be:

- design work and staff consultation to firm up the requirements;
- tendering and a mobilisation period for the refurbishment and fit out. Any tendering work would take account of the preference to support local businesses and in turn the local economy;
- on site works; and,
- staff could begin to move there in autumn 2022.

OPTIONS

The Council could:

- Do nothing - The principle that the Council should relocate to a new office building had been established by previous Executive direction. The Civic Centre would have required significant investment to bring it up to an acceptable standard and was not an economically viable option in the long-term.
- Continue to proceed with the CNE option - The Council could have continued to proceed with leasing and occupying CNE. However, CNE was unlikely to meet the Council's evolving needs and that would have resulted in higher costs and greater risks than necessary.
- Pursue another option highlighted in the report - That was not recommended, predominantly because they were not as economically viable, carried greater risks and also prolonged the timescales for relocation.

ORDERED

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

REASONS

The last report to Executive on 27 October 2020 had identified that a further options appraisal would be required, as the Council's needs had evolved, as had the wider property market.

The report outlined the Council's updated requirements, and how those now fit against the current available options.

The report identified Fountains Court as the preferred option as it was the most economically viable option whilst still meeting the Council's requirements and regeneration aspirations. It was recommended that Fountains Court was purchased with the intention of refurbishing the building, ready for staff to relocate.

The subject of the report had not been examined by the Overview and Scrutiny Board or by a Scrutiny Panel.

20/129 **EXCLUSION OF THE PRESS AND PUBLIC**

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

20/130 **EXEMPT COUNCIL FUTURE OFFICE ACCOMMODATION - PREFERRED OPTION (PART B)**

The Executive Member for Regeneration and the Director of Regeneration and Culture 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.

Report of:	Sue Butcher - Executive Director of Children’s Services Councillor Antony High - Deputy Mayor and Lead Member for Children’s Social Care
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Submitted to:	Executive - 13 April 2021
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Subject:	Youth Services Update
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Summary

Proposed decision(s)
That Executive note the content of this report.

Report for:	Key decision:	Confidential:	Is the report urgent? ¹
Information	No	N/A	No

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Procuring high quality services to meet the needs of our children and young people.	Potential to stimulate a range of youth services across the borough for our children and young people.	Procurement of experienced and high quality providers to deliver a range of youth service provision across the borough.

Ward(s) affected
All wards are affected

¹ Remove for non-Executive reports

What is the purpose of this report?

1. To update the Executive on the outcome of the Youth Services tender and mobilisation activity ongoing to ensure services commence on 1st April 2021.

Why does this report require a Member decision?

2. The report is being provided in order to keep the Executive informed of the impact of its decision to tender contracts to deliver these services.

Report Background

3. The Executive report dated 14th July 2020 provided approval for the formal procurement of a Youth Service to be carried out by Middlesbrough Council.
4. A compliant tender was carried out and following evaluation in line with the tender requirements the Council has awarded the following contracts:
 - a. Lot 1 – Universal Youth Work – The Linx
 - b. Lot 2 – Targeted Youth Work – The Junction
 - c. Lot 3 – Transition Youth Work – Middlesbrough Football Club (MFC)
5. The contracts all commence on 1st April 2021 and following contract award the Council has been working with all three providers on their mobilisation plans.
6. All providers have confirmed that the work they are carrying on out on mobilisation will ensure that their services are up and running on the 1st April 2021.
7. Collaboration between all three suppliers is working positively ensuring co-ordination of delivery plans and referral criteria with a main focus on avoiding duplication and ensuring the youth offer is comprehensive.

What decision(s) are being asked for?

8. That Executive note the content of this report.

Why is this being recommended?

9. The report is being provided in order to keep the Executive informed of the impact of its decision to tender contracts to deliver these services.

Other potential decisions and why these have not been recommended

10. Not application, this report is for information only.

Impact(s) of recommended decision(s)

Legal

11. There are no impacts as the award of these contracts were made following a compliant procurement process.

Financial

12. There are no financial implications as budgets were confirmed within the 14th July 2020 Executive report and this report is for information only.

Policy Framework

13. This decision will support delivery of the Mayor's Vision, assist in budget planning and achievement of the Medium Term Financial Plan and help deliver the Council's Strategic Priorities.

Equality and Diversity

14. Not applicable, this report is for information only.

Risk

15. The contracts will positively impact on the following known risks:

- a. O9-004 Failure to correctly target vulnerable families which are those at greatest need.

Actions to be taken to implement the decision(s)

16. The Council and the providers will continue to support each other through mobilisation to ensure services are operational on 1st April 2021.

Appendices

None

Background papers

None

Contact: Claire Walker, Specialist Commissioning and Procurement
Senior Manager

Email: Claire_walker@middlesbrough.gov.uk

Report of:	Erik Scollay - Director of Adult Social Care and Health Integration Councillor Dorothy Davison - Executive Member for Adult Social Care and Public Health
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Submitted to:	Executive - 13 April 2021
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Subject:	Care Home Brokerage and Trusted Assessor
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Summary

Proposed decision(s)
That Executive approves the development of an in-house care home brokerage and trusted assessor service following the termination of a current contract.

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

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Delivering high quality services to meet the needs of our residents.	Potential to help to stimulate local market	Ability to sustain local business

Ward(s) affected
All wards are affected

What is the purpose of this report?

1. To approve the development of an in-house care home brokerage and trusted assessor service following the termination of a current contract.

Why does this report require a Member decision?

2. In line with the Council’s Scheme of Delegations Executive approval is required where a service is being developed in excess of £150k

¹ Remove for non-Executive reports

Report Background

3. Care Home Selection, an independent provider, was awarded a contract with Middlesbrough Council on 1st July 2019 for the purpose of delivering both a Trusted Assessor and Family Support service at James Cook University Hospital. This supports family members in choosing an appropriate care home at the point of discharge from hospital for a loved one. The service terminates on 1st July 2021
4. The service will also reduce any delays in discharge by conducting a trusted assessment on behalf of the care home, to enable the care home to determine whether they can accept the placement. Without this service the care home would need to arrange to visit the ward and carry out their own assessment – this can often take time to arrange, contributing to delayed hospital discharges.
5. The purpose of the service is to reduce delays on leaving Hospital by being the trusted link for the assessment between the Care Home and Hospital. This supports the hospital in ensuring there is no bed blocking and patients are supported through the process to their onward journey of care.
6. The main functions of the service are as follows:
 - To undertake trusted assessments for care homes - all assessments to be completed within 24 hours
 - Liaise with care homes for assessment clarification and discharge progression
 - Complete data Collection, management and provide regular reporting
 - To provide support 7 days per week including evenings
 - Maintain good relationships with care providers, developing a portfolio of information on care providers to share with families to inform the choice of care home
 - Monitor bed availability within care homes each week so that patients are focused on care homes where vacancies exist
 - To accompany patients/families on visits to Care Homes
 - To provide support for hospital discharge and liaise with social work & ward staff to facilitate discharge, and check on transport and medication etc.

What decision(s) are being asked for?

7. That Executive approves the development of an in-house care home brokerage and trusted assessor service following the termination of a current contract.

Why is this being recommended?

8. The initial contract term expires on the 1st July 2021. The contract arrangement provides for a block number of assessments per quarter, with a spot rate for any assessments needed in excess of the block. Despite the Covid 19 pandemic the number of assessments has significantly exceeded the block per quarter.
9. Furthermore the experience of the pandemic has highlighted the need for flexibility of service provision, the Government have introduced different workflows for hospital discharge, such as the requirement for designated settings, these are settings for

individuals discharged to residential care whom are covid positive. Due to this change in workflow these were different assessments and therefore chargeable under our care home selection contract, this was an unforeseen cost.

10. These additional assessment costs result in the contract not providing overall value for money.

Other potential decisions and why these have not been recommended

11. Alternative options are:

- A. Do Nothing – The contract could be terminated with no replacement service. Care Homes would therefore be asked to assess patients within the hospital setting themselves and families would be supported by the Council’s hospital social work team. This is viewed as not a viable option due to a number of factors. Currently assessments are completed with a maximum 24 hours, but performance reporting show these are usually completed within 4 hours. As a result Middlesbrough is performing well in terms of minimal delayed hospital discharges. Care homes, due to demand pressures within the home environment would be unable to meet this target should they be required to attend the wards themselves. The hospital social work team is already under significant work pressures, and to add additional burden to their workload in supporting family members to choose care homes would be unrealistic.
- B. Renegotiate Current contract – Whilst performance of the current provider is very good, the unit cost of the contract is high, and it does not offer value for money. Renegotiation of the contract may reduce the unit price slightly however it would still not provide the flexibility needed, should there be change in service, or workflow. The ability to flex the model at short notice and mid- year is required without needing to consider impact on the budget per assessment.
- C. Build an in-house service – the development of an in-house team would enable the service to be flexible without the risk of incurring additional costs. In addition a 7 day costed model for an in-house service has been developed which would allow for 2 Trusted Assessors, a Co-ordinator , a Placement Assistant with management support which would still deliver savings when compared to the current contract costs. This model delivers twice the trusted assessment time that the current model provides for offering significant more opportunity to manage the current demands.

Impact(s) of recommended decision(s)

Legal

12. Notice of termination has been served on the current contract, in accordance with the contract clauses, however this can be rescinded at any time. The council has indicated to the provider that TUPE may apply. Any costs of TUPE have been factored into the projected modelling costs.

Financial

13. The current annual cost of the contract based on activity from January 2020 to December 2020 is £298,575. The planned staffing model for an in-house team with supporting budget is £175,000. This service is funded from the Better Care Fund.

Therefore an in-house model does deliver better value for money whilst delivering an enhanced level of activity

Policy Framework

14. This decision will support delivery of the Mayor's Vision, assist in budget planning and achievement of the Medium Term Financial Plan and help deliver the Council's Strategic Priorities of supporting health and social care, working with partners to reduce admissions to hospital and improving support and care once people are discharged from hospital.

Equality and Diversity

15. An Impact Assessment has been completed and found no concerns that the delivery of an in-house service model could have any adverse effects and the assessment is attached as Appendix A.

Risk

16. There are no direct risks associated with this report.

Actions to be taken to implement the decision(s)

17. The Head of Strategic Commissioning will progress recruitment of the team
18. The Head of Strategic Commissioning will implement a project plan for transition for the outgoing provider to the in-house team.

Appendices

Appendix A – Equality Impact Assessment

Background papers

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

Contact: Louise Grabham – Head of Strategic Commissioning & Procurement

Email: louise_grabham@middlesbrough.gov.uk

Template for Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Care Home Brokerage & Trusted Assessor Service – in house delivery			
Coverage:	Crosscutting			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input checked="" type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:		Revision of an existing approach:	<input checked="" type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities Introduce flexibility to a service, by termination of a contract, and delivering a service through in-house provision, achieving better value for money • Statutory drivers (set out exact reference) Care Act 2014 - Contribution to the Reduction in delayed transfers of care. • Differences from any previous approach Service was delivered through commissioned provider • Key stakeholders and intended beneficiaries (internal and external as appropriate) The Council, residents of Middlesbrough, local suppliers and JCUH • Intended outcomes To achieve better value for money, and enhanced service offer 			
Live date:	July 2021			
Lifespan:	July 2021 – July 2023			
Date of next review:	N/a			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*</p>	X	<input type="checkbox"/>	<input type="checkbox"/>	<p>The approval from Executive will ensure that the current service will continue as existing, through a different operating model, ensuring the opportunity for support to all individuals leaving hospital requiring residential or nursing care remains available.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, analysis of clients using the service and feedback from care homes.</p>
<p>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?*</p>	X	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Councils must have due regard to the need to:-</p> <ul style="list-style-type: none"> • 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. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> • 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. <p>Because of the nature of the service and those who use it, this proposed decision is particularly relevant to the age and disability protected characteristics.</p> <p>This service is available to any individual that has an assessed need for residential or nursing care. As a result this service can monitor access to provision for individuals with protected characteristics to ensure equality of access into residential care. The proposal is that the service will continue to ensure the needs of clients are met in the same process, however the provider will change to in-house provision to reduce costs. There are no concerns that this could result in a lesser service for current or future clients.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, analysis of clients using the service and feedback from care homes.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these 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?*	X	<input type="checkbox"/>	<input type="checkbox"/>	The in-house model replaces an existing commissioned service and therefore the cession will have no negative impact as there will be no significant change to relationships. Evidence used to inform this assessment includes analysis of the proposal, analysis of clients using the service and feedback from care homes.
Next steps: <ul style="list-style-type: none"> ➡ 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 Grabham	Head of Service:	Erik Scollay
Date:	12 th March 2021	Date:	12 th March 2021

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Report of:	Erik Scollay - Director of Adult Social Care and Health Integration Mark Adams - Director of South Tees Public Health Councillor Dorothy Davison - Executive Member for Adult Social Care and Public Health
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Submitted to:	Executive - 13 April 2021
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Subject:	Changing Futures Funding Opportunity
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Summary

Proposed decision(s)
<p>That Executive approves:</p> <ul style="list-style-type: none"> • A formal submission on a South Tees partnership basis with Middlesbrough Council as the lead organisation; • Subject to the bid's success, approval to receive the grant funding on behalf of the South Tees partnership and distribute it amongst the partner organisations; • That the Director of Public Health (DPH), as the named lead for the South Tees partnership, in consultation with the relevant Executive Member, receives delegated authority to allocate future funding for Changing Futures, up to £150k per intervention/decision and to approve costed delivery plans relating to the programme, via the Governance and Steering Board that will be formed if we are successful. • That the Director of Public Health (DPH), as the named lead for the South Tees partnership, receives delegated authority to sign the bid on behalf of Middlesbrough Council as lead authority for the Partnership.

Report for:	Key decision:	Confidential:	Is the report urgent? ¹
Decision	Yes - it is over financial threshold and affects more than two wards	No	Yes - the deadline for submission is 6 th May 2021 and there is a significant amount of partnership work involved to develop the bid.

¹ Remove for non-Executive reports

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
<ul style="list-style-type: none"> Tackling crime and anti-social behaviour head on 		<ul style="list-style-type: none"> Winning investment and creating jobs Creating positive perceptions of our town on a national basis

Ward(s) affected
All wards are affected by this proposal.

What is the purpose of this report?

- To provide an update on the Changing Futures funding opportunity and to seek approval for a formal submission on a South Tees partnership basis with Middlesbrough Council as the lead organisation.

Why does this report require a Member decision?

- This decision is a key decision, affecting all wards in Middlesbrough and with financial implications over the key decision threshold of £150,000.

Report Background

- Following Middlesbrough's award of approx. £4.5m funding for Project ADDER, the government has announced £46m from the Shared Outcomes Fund for a new programme: Changing Futures – aimed at changing systems to support adults experiencing multiple disadvantage. It is being led by the Ministry of Housing, Communities & Local Government (MHCLG).
- The programme will work in partnership with up to 15 local areas to test innovative approaches and improve outcomes for people experiencing multiple disadvantage, including a combination of: homelessness; substance misuse; mental health issues; domestic abuse and contact with the criminal justice system.
- People in this situation are among the most vulnerable in our local communities, experiencing entrenched disadvantage and trauma. They come into repeated contact with our police, criminal justice and emergency response services without receiving the support they need to break the cycle – generating significant costs to the public purse without seeing improved life outcomes.
- Changing Futures invited expressions of interest from pioneering local partnerships who want to work with government to drive lasting system change and better outcomes for adults experiencing multiple disadvantage. By working together in local areas and across government, the programme aims to change systems, change services and change the futures of the most disadvantaged adults in our community.
- Despite having several existing lot of cross-over with Project ADDER, Next Steps Rough Sleeper funding and other government grant initiatives, we are still eligible to bid.

MHCLG are looking to work with areas that have significant, existing partnership work to address multiple disadvantage, therefore, it presents an opportunity to support these and the other workstreams that we are already undertaking - notably the integrated vulnerable persons' service model.

8. There is a particular focus on submissions demonstrating the following:
 - a. Addressing the needs of the whole person;
 - b. A system-wide approach;
 - c. Trauma-informed practice;
 - d. Meaningful lived experience input in the design and ongoing delivery;
 - e. Additionality, evidence based and targeted – not substituting universal, statutory or mainstream (existing) services.
9. Two meetings were held to explore the most feasible geographical basis for the bid. Consensus was reached that, although a Tees-wide bid would have been preferable, there was insufficient existing partnership approaches in relation to the topic areas. Having weak evidence of this would have harmed the EoI submission, therefore, it was agreed to proceed on a South Tees footprint.
10. Middlesbrough Council took the lead, as MHCLG stipulated that it had to be an LA that they had the grant agreement with, in order to distribute the funding throughout the partnership on their behalf.
11. The Expression of Interest (EoI) was submitted on behalf Middlesbrough and Redcar & Cleveland Councils, along with a variety of partner organisations across a South Tees partnership. This has not been attached as an appendix due to its commercially sensitive nature at this stage, given that Changing Futures is a competitive bidding process.
12. The South Tees (ST) EoI was successful and we were able to claim a development grant of £15k that is enabling us to appoint a bid co-ordinator. The appointed lead is working with all organisations within the ST partnership and co-ordinating the development of a costed delivery plan to ensure the formal bid is submitted on time. They are providing dedicated capacity to carry out the partnership-wide engagement and meet the challenging timescale of 6th May 2021 for submission (as of mid-March, this has just been extended from the original 26th April 2021 deadline) at no cost to the council/ST partnership.
13. If successful, MHCLG guidance stated that they expected two year grants to total approx. £1.5m - £4.5m per area. However, MHCLG have just extended the length of the programme through until 31/3/24, thanks to a partnership with the National Lottery Fulfilling Lives fund. This will ensure additional funding for successful areas, which will be based on the proposed, costed delivery plan submitted. Delivery is expected to commence in June/July 2021.
14. If successful, we would seek to apply the Middlesbrough Council corporate 8% management fee to the funding as the grant recipient. It is also within scope to recruit strategic lead capacity with the funding to oversee the programme.

What decision(s) are being asked for?

15. That Executive approves:

- a. A formal submission on a South Tees partnership basis with Middlesbrough Council as the lead organisation;
- b. Subject to the bid's success, approval to receive the grant funding on behalf of the South Tees partnership and distribute it amongst the partner organisations;
- c. That the Director of Public Health (DPH), as the named lead for the South Tees partnership, in consultation with the relevant Executive Member, receives delegated authority to allocate future funding for Changing Futures, up to £150k per intervention/decision and to approve costed delivery plans relating to the programme, via the Governance and Steering Board that will be formed if we are successful.
- d. That the Director of Public Health (DPH), as the named lead for the South Tees partnership, receives delegated authority to sign the bid on behalf of Middlesbrough Council as lead authority for the Partnership.

Why is this being recommended?

16. Successfully attaining a Changing Futures area status presents an opportunity to attract significant external funding to Middlesbrough and the wider South Tees area, which will benefit a wide range of our population, including extremely vulnerable groups. The delegated authority to the DPH request is being made within the context of creating a South Tees Partnership Governance and Steering Board, should we be successful. This group will include key representatives from commissioning/procurement, finance, HR and social care, as well as appropriate partner organisations representation. Decisions regarding delivery plans, interventions, recruitment and procurement processes will be agreed within this group.

17. The benefits of being Changing Futures programme area include:

- a. The funding could have a significant positive impact on the lives of local people impacted by multiple vulnerabilities;
- b. The timing is extremely welcome given the challenges outlined in the 'Report Background' and the following, current and critical issues relating to the last two years:
 - i. Highest levels of drug related deaths on record;
 - ii. Highest levels of alcohol related deaths on record;
 - iii. Unprecedented number of domestic homicide reviews;
 - iv. Significant increases in those in temporary accommodation and with acute housing issues;
 - v. Impact of the COVID-19 pandemic.
- c. It will benefit the integrated service model which brought together domestic abuse, homelessness and substance misuse services from 1st April 2021, aiming to better address the complex vulnerabilities faced by some of our residents. Changing Futures status will help us to complement this approach with additional capacity and maximise the benefits of this new model with significant external investment in key areas of specialist support.
- d. The issues associated with multiple vulnerabilities impact on a wide range of health outcomes and service provision, including demand on childrens services, primary and secondary care, and adult social care. Improved outcomes in will translate to further benefits across key areas of health and social care.
- e. Stakeholder consultation is not formally required in order to approve the receipt of this funding, however, co-production of the interventions with the South Tees

partners, VCS, local service user community and 'experts by experience' will form a key part of the programme.

- f. Both Changing Futures and Project ADDER support the recent Middlesbrough Council Health Scrutiny Panel's examination of opioid dependency, which recommended that this topic was to become a long-term, standing agenda item due to its level of impact and complexity. Multiple partner organisations have been invited to the panel over the last year in order to promote a whole-system approach to tackling this 'wicked problem'.
- g. In addition to the funding, being a Changing Futures programme area would ensure that we benefitted from:
 - i. Having direct links with the MHCLG and other key, government departments with our local findings/outcomes influencing national decisions;
 - ii. Being part of a network with other Changing Futures areas to gather and share best practice;
 - iii. Being provided with additional, specialist support from other organisations involved in the Changing Futures national programme, including Making Every Adult Matter (MEAM).

Other potential decisions and why these have not been recommended

18. Retaining the status quo and not accepting this funding would deny Middlesbrough/South Tees the opportunity for significant investment and improvement in services for some of our most complex and vulnerable residents. Addressing these complex vulnerabilities and tackling the underlying social determinants of poor health in this group, including issues such as criminal justice, employment and positive relationships, provides the potential to transform local lives. The negative impact that these issues have on the wider community and the area as a whole can be significantly mitigated by investment at this scale.

Impact(s) of recommended decision(s)

Legal

19. There are no identified legal implications in relation to delivering Changing Futures. This has been discussed with relevant Legal and Democratic Services officers, including them having oversight of the EoI.

Financial

20. There are no formal match funding requirements from the Council and full project management costs have been built into the draft proposal. There would be a draw on corporate staff time to contribute to the project, therefore, the 8% for council overheads has been fully applied to the costed delivery plan in order to cover this support. Furthermore, MHCLG has indicated that Changing Futures areas will not be subjected to redundancy liabilities. Their current expectation is that any potential redundancy costs will be built into the final year funding requests and covered by the associated grant settlement.
21. As the final proposal is at an early stage and remains corporately sensitive (given the competitive nature of the process), no formal commitment of match funding from partners has yet been made. However, we are aware of and are discussing funding streams which meet this criteria and have the potential to be utilised. This approach would only be pursued following Executive approval to proceed with Changing Futures. The Council would not be subject to any financial liability for uncommitted match funding, should this

not transpire, as the any posts/activity would be amended/reduced proportionately in order to be fully covered by the external funding.

22. Whilst there is the real potential that this programme of work will make the national case for an increased baseline funding for this agenda, this cannot be guaranteed and, as such, all interventions will need to be designed with a clear exit strategy in place. Specific consideration will need to be given to:
- a. Hosting arrangements and liability for posts - any post hosted by the local authority could be initially recruited to a maximum of two years, on fixed term contracts.
 - b. Continuation of service pathways beyond the initial funding – consideration will need to be given to how successful ways of working from the project are embedded within future commissioning intentions and existing service pathways across the South Tees partnership.
 - c. From the outset we will be clear on the need for Changing Futures to create a legacy. We are going to propose a mixture of roles, interventions and service elements to enable some to be self-sustaining (following initial investment) and others to be built into future service developments if they are proven to deliver successful outcomes.
 - d. Interventions where system savings can be identified would be flagged at the outset, however, we would retain a pragmatic view regarding the ability of these savings to become either “cashable” or reallocated to this programme.
 - e. Ongoing research and evaluation throughout the programme is embedded in and funded through the national programme. Nationally funded support will be provided from MHCLG to support local pilot areas in exit strategy arrangements and embedding successful practice.

Policy Framework

23. Approval of the recommendations will not affect any part of the Council’s Policy Framework.

Equality and Diversity

24. An Equality Impact Assessment (EIA) has been completed. This has found that the proposal does not negatively impact on any protected groups nor is it likely to have any negative impacts as a whole.

25. The EIA is attached to this report at Appendix i.

Risk

26. No significant risks that would negatively impact on the strategic risk register have been identified. Several related risks relating to the forthcoming integrated service model will be positively influenced by Changing Futures, including ensuring enhancement of delivery capacity and specialisms within the staffing model.

27. Please see attached DRAFT Risk and Issue register/log at Appendix ii.

28. Further to receiving approvals all risks will be uploaded to and managed through Pentana.

Actions to be taken to implement the decision(s)

29. The costed delivery plan will be further developed to ensure that the recommended decisions enable Changing Futures to be successfully delivered. This will be overseen by the DPH/Changing Futures Governance and Steering Board throughout the lifetime of Changing Futures.

Appendices

30. Appendix i - Impact assessment

31. Appendix ii - Draft Risk and Issue Register

Background papers

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

Contact: Jonathan Bowden

Email: Jonathan.Bowden@middlesbrough.gov.uk

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Changing Futures Executive Report Appendix i - EIA level 1

Initial screening assessment

Subject of assessment:	Delivery of Project ADDER (Addiction, Diversion, Disruption, Enforcement and Recovery). Investment in a whole system approach to tackling drug misuse in Middlesbrough NB CONFIDENTIAL (This project is currently embargoed by the home office pending national announcement)			
Coverage:	Service specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input checked="" type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input checked="" type="checkbox"/> National investment opportunity	Local or corporate requirements:	<input type="checkbox"/>

Changing Futures Executive Report Appendix i - EIA level 1

<p>Description:</p>	<ul style="list-style-type: none"> • Key aims, objectives and activities <p>Changing Futures aims to ensure that programme areas will work in partnership with MHCLG and other government departments to test innovative approaches and improve outcomes for people experiencing multiple disadvantage, including a combination of: homelessness; substance misuse; mental health issues; domestic abuse and contact with the criminal justice system.</p> <ul style="list-style-type: none"> • Key activities will include: <ol style="list-style-type: none"> 1. Work in partnership across local services and the voluntary and community sector at a strategic and operational level. 2. Coordinate support and better integrate local services to enable a ‘whole person’ approach. 3. Create flexibility in how local services respond taking a system wide view with shared accountability and ownership and a ‘no wrong door’ approach to support. 4. Involve people with lived experience of multiple disadvantage in the design, delivery and evaluation of improved services and in governance and decision making. 5. Take a trauma informed approach across local system, services and in the governance of the programme. 6. Commit to drive lasting system change with long term sustainable changes to benefit people experiencing multiple disadvantage and commitment to sustain the benefits of the programme beyond the lifetime of the funding. • Statutory drivers <p>The Council has a statutory duty to improve Public Health under the Health and Social Care Act 2012(under section 2B added to the NHS Act 2006)</p> • Differences from any previous approach <p>The addition of national funding enables the above enhancements to be fully funded up to March 2024. This will significantly improve the existing local offer and maximise the benefits of the new vulnerable person’s model which brings together domestic abuse, homelessness and substance misuse into an integrated service from 1st April 2020.</p> • Key stakeholders and intended beneficiaries (internal and external as appropriate): <p>Individuals living in South Tees who experience multiple vulnerabilities, their families and communities, health partners, criminal justice partners, youth offending service, children and adult social care, community and voluntary services supporting vulnerable adults.</p> • Intended outcomes: <p>Over a period of almost 3 years the project will aim to deliver improvements at the:</p> <ul style="list-style-type: none"> • Individual level: stabilise and improve outcomes for local cohorts of adults experiencing multiple disadvantage. • Service level: greater integration and collaboration across local services to provide a person centred approach, and reduced demand on ‘reactive’ services. • System level: Strong multi agency partnerships, governance and better use of data leads to lasting system change and informs commissioning. Learning from partnership between government and local areas improves cross government policy.
<p>Live date:</p>	<p>Anticipated June/July 2021</p>
<p>Lifespan:</p>	<p>The pilot project will run until at least the end of March 2024 and detailed legacy/exit plans will be in place in the absence of a longer term funding settlement by the end of the pilot</p>
<p>Date of next review:</p>	<p>N/A</p>

Changing Futures Executive Report Appendix i - EIA level 1

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposal to could impact negatively on human rights.
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?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Public Sector Equality Duty (PSED) requires that when exercising its functions the Councils must have due regard to the need to:- <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 proposals will not have any negative impact on protected characteristics. Those targeted for support within the programme are amongst other commonly disadvantaged groups which stand to benefit significantly from the additional support provided through this programme
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There is no negative impact on community cohesion as a result of these proposals. The service will seek to positively address issues of substance misuse and associated criminal activity which threaten community cohesion and as such should have a hugely positive impact on community cohesion. <p>Evidence used to assess the impact of the proposals includes consideration of international evidence base for effective interventions.</p>
Next steps: <ul style="list-style-type: none"> ➡ 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. 				

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

Changing Futures Executive Report Appendix i - EIA level 1

Assessment completed by:	Jonathan Bowden	Head of Service:	Catherine Parker
Date:	26 th March 2021	Date:	26 th March 2021

Appendix ii – Changing Futures - Executive report: Risk and Issue Register

Risk ID	Risk Description	Type of Risk	Likelihood	Impact	Severity (Likelihood x Impact)	Owner	Mitigation Strategies <i>Please give an outline of how you will mitigate this risk to delivery</i>
STCF001	Covid-19 reduces capacity of local providers	Project-level	Possible (3)	Moderate (3)	9	South Tees Partnership Changing Futures Governance and Steering Board (STCFB)	We will mitigate this by continuing to monitor that our local, blended approach with physical and virtual appointments/interventions is reactive to current restrictions. The DPH is Project Sponsor for CF and is also a key member of the COVID Recovery Group.
STCF002	Delay in procurement of services and/or roles	Project-level	Unlikely (2)	Major (4)	8	STCFB	Early engagement with relevant colleagues and outline, concise procurement and recruitment processes agreed. Onward engagement of key colleagues throughout process. Executive approval is being sought. DPH is Project Sponsor and Exec Mamber project champion. Agreements with relevant colleagues and stakeholders will be secured upon funding award, including DPH, Finance Director and Head of Corporate Procurement. Soft market stimulation will be carried out and we are confident of relevant interest in the interventions that we are proposing.
STCF003	Project delivery is delayed	Project-level	Unlikely (2)	Major (4)	8	STCFB	Dedicated project team resources will be identified to deliver the required activity. Additional Project Support Officer will be requested. Proven track record of delivering similar projects, e.g. Project ADDER, PHE Capital funding, etc. CMT approval of CF has been given.
STCF004	Procurement process for local, integrated service model (including substance misuse) is either delayed or unsuccessful	Project-level	Unlikely (2)	Moderate (3)	6	STCFB	Learning from similar projects will inform a procurement plan that will be developed complete with relevant providers identified who can be asked to quote.
STCF005	Inability to employ suitable staff for the roles identified via CF	Project-level	Unlikely (2)	Major (4)	8	STCFB	Positive preliminary discussions have taken place with suitable partner organisations. There is strong interest in collaborating on CF and roles will be appointed as soon as the programme is launched. Staff with relevant knowledge and experience are already engaged in CF, which provides a safety net if there are any small delays (though these are not anticipated).
STCF006	Other, competing local priorities reduces focus on Changinf Futures	Project-level	Unlikely (2)	Moderate (3)	6	STCFB	Dedicated capacity has been identified in terms of a local project team and oversight group. There is senior commitment to delivering CF from across the ST partnership.
STCF007	Further cuts to local investment in existing and related services/capacity	Project-level	Unlikely (2)	Moderate (3)	6	STCFB	Project Sponsor (DPH) will aim to protect local investment and there are no current plans or indications that any further cuts are to be made. The new, integrated model commenced in Apr 21 and both Executive and CMT approval has been gained for this, including the budgets.

Appendix ii – Changing Futures - Executive report: Risk and Issue Register

Risk ID	Risk Description	Type of Risk	Likelihood	Impact	Severity (Likelihood x Impact)	Owner	Mitigation Strategies <i>Please give an outline of how you will mitigate this risk to delivery</i>
STCF008	Lack of senior buy-in locally	Project-level	Unlikely (2)	Major (4)	8	STCFB	Relevant, senior colleagues have been kept informed about the potential CF programme opportunity from the outset. Commitment is evident as outline processes already agreed to enable CF to be successfully undertaken. This commitment has also been matched by relevant executive members.
STCF009	Desired outcomes are not delivered	Project-level	Unlikely (2)	Major (4)	8	STCFB	We have a strong track record of delivery in Middlesbrough/South Tees and do not anticipate issues in this regard. There is a history of innovative practice implemented by local services in partnership with commissioners. Local evaluation will be undertaken, which will provide a baseline for monitoring and allow us to measure the success of CF. Performance will be a standing agenda item on the STCFB to ensure that it is closely monitored and any remedial actions can be swiftly undertaken
STCF010	Projects may not be sustainable beyond CF funding timescales	Project-level	Possible (3)	Major (4)	12	STCFB	The local CF programme leads will aim to ensure a local legacy for CF. Driving collaboration with partner organisations and ensuring that sustainability is a factor in planning interventions will be a responsibility for this role. We have planned for sustainability in terms of our proposed interventions as much as possible.
STCF011	Delay in project commencement/launch or funding being allocated to LA, leading to compressed timescale for delivery of yr. 1 outcomes	Project-level	Possible (3)	Major (4)	12	STCFB	Maintain regular communication with national colleagues and do as much preparatory work as possible in order to hit the ground running.

Report of:	Ian Wright - Director of Finance Councillor Chris Hobson - Executive Member for Finance & Governance
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Submitted to:	Executive - 13 April 2021
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Subject:	Community Asset Transfers
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Summary

Proposed decision(s)
<p>That the Executive approves:</p> <ul style="list-style-type: none"> • Progression of the community asset transfer policy for potential execution of community asset transfer leases for Brambles Farm Community Centre CC, Langridge Initiative Centre, The International Centre and 22 Holylake subject to appropriate expressions of interest and submission of appropriate business cases. • A future report will be presented to Executive outlining the outcome of the financial appraisal and recommendations for approval for each community asset transfer based on its own merits following appropriate due diligence where appropriate. • The Community Asset Transfer Policy will be refreshed alongside the Community Governance Review process, which is currently being progressed.

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
<ul style="list-style-type: none"> • Facilities will serve as hubs in tackling issues around crime and anti-social behaviour, working in partnership to ensure local people feel safer, plus providing opportunities for young people socially and educationally. • Provide deprived wards in Middlesbrough with access to facilities to improve local health and Wellbeing. 	<ul style="list-style-type: none"> • Provide a facilities that allow for working with the local community and revitalising unused building and the surrounding area. • Contributing towards improving the residents in the Ward’s satisfaction in making it an attractive place to live as a community. • Sets a good example for the community to take ownership for the 	<ul style="list-style-type: none"> • Helps to create positive perceptions, improving its reputation, and attracting new investment to the Centres • Shows good business management by the Council bringing back into use under-utilised assets • Contributing towards potentially improving employment levels, helping to create new

¹ Remove for non-Executive reports

<ul style="list-style-type: none"> • Introduce locality working with partners, placing services in the heart of the community. • Access to support for children and vulnerable adults helping to look after their needs and welfare. • Contributing to reducing crime rates, improving healthy life expectancy and average life satisfaction. • Reducing social isolation and helping adults live independently. • Contributing to adults living independently and significantly increasing their life satisfaction. 	<p>area improving both street and general environment cleanliness.</p> <ul style="list-style-type: none"> • Investing in a place that can become a hub for different minorities to express their own culture and diversity adding to the richness of the Town's Cultural offer and allowing for inclusivity that could help drive more events and festivals. • Provide a place that can work to encourage small business and community interest company growth from a diverse range of cultures. • Contribute to creating a positive reputation for Middlesbrough reaching out to diverse population and leading to further inward investment and local jobs. 	<p>jobs and inward invest.</p> <ul style="list-style-type: none"> • Good business management practices will allow organisations the freedom to build on their success by drawing investment into the facility and give them the opportunity to expand and thus achieving good outcomes for the community.
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Ward(s) affected
<p>Brambles Farm and Thorntree. Park End and Beckfield, Pallister and Berwick Hills. Central Middlesbrough, Longlands and Beechwood. However please note services from these buildings impacts across all wards across Middlesbrough and the wider Tees Valley.</p>

What is the purpose of this report?

1. The purpose of this report is to seek approval to explore community asset transfer for four Council buildings by recommending that the Council invites expressions of interest for the four buildings, and progresses the process outlined in the community asset transfer policy.

Why does this report require a Member decision?

2. The decision affects more than two wards.

Report Background

3. The term 'community asset transfer' relates to long leasehold or freehold arrangements at less than market value. Community asset transfers are viewed

positively as it offers many benefits to local communities, local Voluntary and Community Organisations and to the Council.

4. The Quirk Review of community management and ownership of public assets, concluded strongly in favour of local ownership and management of public assets. Adding to this the current operating context has changed dramatically with Middlesbrough Council is facing significant challenges as a result of major reductions in public spending and will increasingly need to consider asset transfer as an enabler to achieving its forthcoming corporate aims in a mixed service economy, with significantly reduced resource.
5. A number of Community asset transfers have already been carried out successfully offering opportunities for localised social regeneration, improved access to educational activities and growing small businesses.
6. Brambles Farm Community Centre, The International Centre, Langridge Initiative Centre and 22 Holylake Rd all have tenants currently occupying the buildings with non-commercial arrangements in place, however the Council still has a financial pressure to invest in maintenance and remedial work.
7. There has been little interest in securing a commercial tenant for these buildings. In part this is due to the complexities of the building and in part also due to their respective locations meaning them ill-suited to attracting business investment.
8. Those currently occupying the buildings are also limited in seeking access to funding opportunities to enhance the buildings due to the nature of their current agreements and as a result the buildings though occupied continue to deteriorate attracting anti-social behaviour and community concerns. The Buildings also require increased reactive maintenance and the Council has responsibility for the Rates.
9. All four current occupiers have now approached the Council to seek to remedy this by enquiring as to opportunities to community asset transfer the buildings.
10. Whilst all four are clearly demonstrating that they are contributing to the Council's Strategic Plan. Officers have been clear that in the interests of transparency and fairness any expression of interest regarding a community asset transfer would need to be assessed against any comparative expressions received as part an exercise gauge interest in the wider community.
11. Subject to this Report's approval Officers have said that they would work with those existing occupiers to ascertain more information of their respective financial proposals and business cases.
12. The current Community Asset Transfer Policy was developed in 2012, therefore this policy will be followed as part of this exercise, and learning will assist in the policy being refreshed and presented to Executive alongside the Community Governance Review process, which is also currently being progressed.

What decision(s) are being asked for?

13. That the Executive approves:

14. Progression of the community asset transfer policy for potential execution of community asset transfer leases for Brambles Farm Community Centre CC, Langridge Initiative Centre, The International Centre and 22 Holylake subject to appropriate expressions of interest and submission of appropriate business cases.
15. A future report will be presented to Executive outlining the outcome of the financial appraisal and recommendations for approval for each community asset transfer based on its own merits following appropriate due diligence where appropriate
16. The Community Asset Transfer Policy will be refreshed alongside the Community Governance Review process, which is currently being progressed.

Why is this being recommended?

17. Community asset transfers present opportunities to facilitate social regeneration as well as local community access to education, health and recreational activities across Middlesbrough
18. There has been little interest in securing commercial tenants for these buildings. In part this is due to the complexities of the building and in part also due to their respective locations meaning them ill-suited to attracting business investment.
19. A building left unused attracts a significant amount of criminal damage and impacts upon Council budgets due to the requirements to maintain general up keep and rates. A community asset transfer demonstrates a key business imperative to reduce Council expenditure.
20. Discussions with local stakeholders such as the local business owners and residents living in close vicinity have shown that they want to see the buildings used more for the community.
21. Transfer to community interest companies and charities would allow for potential investment and physical enhancements to the building supporting the 2020-23 Strategic Plan in terms of physical regeneration in all four deprived wards in Middlesbrough.

Other potential decisions and why these have not been recommended

22. Continue with current arrangements. This may result in continued costs to the Council. It would also reduce the capacity of any potential occupiers to draw down funding opportunities and inevitably lead to further structural deterioration
23. Demolish buildings. This would incur capital costs, and the buildings currently have occupation from community and voluntary sector organisations.
24. Sell the buildings. An Asset Disposal business case may prove challenging. The market value given the buildings location may be challenging with bids coming in under their current worth. It would also reduce the Council's influence to determine the future direction of the building and therefore disposing of a building that could potentially have both a greater physical and social regeneration impact.

Impact(s) of recommended decision(s)

Legal

25. The recommendations do not create any specific legal issues, although the actions recommended and any subsequent steps would all need to be undertaken within the Council's Community Asset Transfer Framework.

Financial

26. Each community asset transfer will be based on long leasehold arrangements of up to 25 years. Each property will be transferred to a single organisation, or co-operative, who may sub-let part of the property to other providers providing it accords with the principles of the transfer. Details of property condition surveys will be available to organisations submitting business cases, however no financial assistance will be available for building repairs or enhancements and therefore business cases will need to demonstrate financial robustness.

Policy Framework

27. The properties will be divested of in line with the Council's Community Asset Transfer policy.

Equality and Diversity

28. A Level 1 impact assessment has previously been undertaken and identifies the proposed recommendations for the buildings to have a positive impact in terms of diversity and community cohesion. No groups with protected characteristics are adversely impacted by the decision.

Risk

29. In undertaking the Community Asset Transfers this will have a positive impact on the Council's risks. In completing the transfer from the Council it will ensure that there are good governance arrangements in place to ensure that the assets are well managed

Actions to be taken to implement the decision(s)

30. The following would be undertaken to implement this recommendation:

- Invite community groups and other voluntary community organisations to submit expressions of Interest.
- Work with the interested parties we have received to date to understand their financial proposals and ask them to work up detailed business plans.
- Consider the above, alongside any other expressions of interest received within a four week time frame. Any asset transfer will be subject to detailed financial analysis.

Appendices

Background papers

Contact: Gamini Wijesinghe.
Email: gamini_wijesinghe@middlesbrough.gov.uk



Middlesbrough Council

Community Asset Transfer Policy

A guide for organisations wishing to apply

Approved February 3rd 2012

Middlesbrough Borough Council: Community Asset Transfer Strategy

1. Background

1.1 Middlesbrough Council values the support of the Voluntary and Community Sector (VCS) in delivering a wide range of services to the people of Middlesbrough. Many Voluntary and Community Organisations (VCOs) are also commissioned by the local authority to provide a wide range of services. The Council supports the VCS in a wide variety of ways including Grants, support with building related costs and the Compact, which describes the way in which the Council and the VCS work together

2. Purpose and Context

2.1 Middlesbrough Council holds an extensive property portfolio, valued at over £400m. In addition to land holdings, commercial property and office accommodation, the portfolio includes a range of community assets. This strategy describes the Council's approach to the transfer of surplus community assets to Voluntary and Community Organisations.

2.2 The term 'community asset transfer' relates primarily to long leasehold or freehold arrangements at less than market value. Community asset transfer is viewed positively as it offers many benefits to local communities, the local VCS and to the Council itself.

2.3 The Quirk Review of community management and ownership of public assets, which concluded strongly in favour of local ownership and management of public assets. This position was supported by the then Labour Government through a number of new initiatives, including the establishment of the national Asset Transfer Unit, which supports Councils in pursuing this agenda.

2.4 The current operating context has changed dramatically. Middlesbrough Council is facing significant challenges as a result of major reductions in public spending and will increasingly need to consider asset transfer as an enabler to achieving its forthcoming corporate aims in a mixed service economy, with significantly reduced resource.

3. Key Stakeholder benefits of community asset transfer

3.1 Local communities: Improved community involvement, empowerment and cohesion; increased social entrepreneurship, employment, volunteering opportunities and enhanced service delivery.

3.2 The VCS: Financial security for VCOs, promoting growth, increased capacity and sustainability and the potential for increased investment

3.3 The Council: Promotion of core strategic priorities, including community led regeneration, diversification of public service providers and improved partnership working: increased value for money through sharing costs, increased usage and levered investment.

The Council recognises the benefits of community asset transfer and will be proactive in using asset transfer as one of a range of tools to support the VCS and help meet the strategic

objectives of the Council; particularly in terms of service transformation and realising efficiencies.

This strategy aims to create a transparent and accessible process to enable asset transfer from the Council to VCS organisations to happen and be successful in the long term.

4. Strategic priorities

4.1 Any proposed asset transfer must support the strategic priorities of the Council and aim to create the widest public value. This includes (not exclusively);: Sustainable Community Strategy;

- Strategic Plan;
- Local Development Framework;
- Joint Strategic Needs Assessment;
- Voluntary Sector Compact;
- Corporate Asset Management Plan;
- Corporate Capital Strategy.

5. Key principles

5.1 The approach to community asset transfer will be underpinned by the following principles:

- support for the development of an increasingly robust VCS
- commitment to the promotion of sustainable community-led regeneration
- flexibility in negotiations and support offered to VCOs, within financial constraints
- transparency in decision making.

6. Risk Management

6.1 Some of the VCOs applying to the Council for the transfer of assets may have limited financial history or facilities management experience, and it is important that any Community Asset Transfer has the best possible chance of success. The following requirements must therefore be met for organisations to be considered 'fit for purpose' to assume responsibility for Council assets:

- financial viability of the transfer;
- the organisation has appropriate skills, knowledge and expertise to sustain the project in the long term;
- appropriate governance structures, staffing arrangements, decision making processes and management controls are in place;

- the project has the support of the relevant local community (of place, interest or identity).

6.2 However, Middlesbrough Council recognises the importance of building the capacity of VCOs to enable them to meet these requirements. To that end, the Council will work with Middlesbrough Voluntary Development Agency and/or others, where appropriate and practical, to put in place packages of development support at the pre application stage to build the capacity of organisations to manage assets where a clear benefit to the community of the transfer of assets has been identified.

7. Detail and process

7.1 The Council will publish the list of assets (both land and buildings) potentially available for community transfer, as a result of the Community Buildings Review, on its website shortly. Notification will also be made available by Middlesbrough Voluntary Development Agency, via their website, to all relevant VCOs. Assets made available will be those that are surplus to the operational needs of services and do not significantly contribute to the Council's commercial portfolio. The list will be reviewed every six months [NB This approach will be updated in 2012/13 to reflect the forthcoming provisions of the Localism Act 2011.] The transfer process may also be triggered by an approach to the Council by the community or a VCO for an asset not currently listed.

7.2 The Council will generally pursue long leasehold arrangements when considering community asset transfer. Twenty-five years would be the preferred length. Freehold could be considered in particular circumstances for example where not doing so would jeopardise significant resources being brought in to support the development, however, that would need to be balanced with a re-assurance that community benefit will be reasonably maintained in the long term.

7.3 A single property in its entirety would be transferred to a single organisation or cooperative who can then sub-let part of the property to others provided that this accords with the use and principles agreed for the transfer

7.4 Levels of discount of market value will be set on a case by case basis based on the nature of the property, a robust assessment of the VCO business plan and the extent of community benefit to be derived. In addition, the Council may:

- provide some grant revenue subsidy that will taper off over time to ensure a smooth transition from Council to community ownership;
- consider investment in an asset prior to transfer to ensure that the building is fit for purpose (although preference will be given to VCOs that can lever in external investment to achieve this).

7.5 VCOs will need to satisfy the Council that they are constituted for social benefit, and wherever possible, within their legal structure, to demonstrate an 'asset lock' provision to ensure that the asset is retained for community benefit. The Council will provide legal agreements that will enable VCS organisations to manage and develop the property as an

asset in the long term while ensuring that the use of the building as a community asset is retained.

7.6 Interested parties will initially provide an outline proposal within two weeks of the Council making the opportunity available. The proposal will then be evaluated by an officer group including strategic assets, specific service areas whose work links to the applying organisation and the Voluntary Sector Liaison Team. Consultation will be undertaken with VCS representatives prior to a recommendation being brought forward.

7.7 If the outline proposal is approved in principle the organization will be asked to submit a business plan to the Council in support of the asset transfer within six weeks. The Council may retain a degree of flexibility over this timescale where, for example, the feasibility of the proposal is not in question or where external sources of funding may take additional time to come to fruition. Again this will be evaluated by an officer group, reflecting the various interested parties within the Council. The single point of contact for asset transfer will be the Council's Corporate Assets Officer ;
(Martin Shepherd, martin_shepherd@middlesbrough.gov.uk or tel: 01642 729192).

7.8 The business plan will be the single most important document to inform the decision about whether to proceed with the transfer. Asset transfer will only take place where an organisation can clearly demonstrate it can manage the asset through a robust and sustainable business plan.

7.9 Business plans presented to the Council as a minimum must contain the following (although VCOs can structure the business plan in their own style it must be in line with published criteria, which will form the basis of the evaluation).

Suggested Business Plan Content

Summary Who you are, what you do, and how you intend to do it.

About your organisation Track record, current plans, partnerships and people, governance, legal structure.

Summary of the project Objectives, proposed: programme for delivery, impacts/benefits (for all stakeholders), management and operation of the asset (staff, volunteers) and the capital construction phase, where relevant.

Customer base The needs that will be met by the project and the number of beneficiaries p.a. Whether there is a pricing policy and the rationale behind this. Whether any other organisations are operating in a similar area and if there is potential for collaboration.

Promotion The customer strategy (e.g. face to face, electronic delivery) and how it will be implemented.

Resources Financial projections, which should include: the budget for 3-5 years and cash flow for year one, an examination of profit and loss and capital expenditure (if capital is required to redevelop the building sources secured or identified should be stated), explanatory notes re: projections and assumptions about timings and level of commitment for both income and expenditure.

Risk management An outline of the different risks associated with the project, the implications of those risks occurring and the organisations strategy to prevent or managing occurrence.

7.10 The VCS organisation will be expected to submit copies of governing documents, any evidence of external advice provided, expressions of support from partners/customers, copies of accounts (where available). Reasonable support in developing business plans will be available from the Council's Community Regeneration Service and MVDA.

7.11 A report on the business case will then be presented to CMT for a decision.

7.12 In assessing proposals for asset transfer, the Council will consider the relative benefits and risks of the following options:

- Doing nothing
- Expenditure on other services made possible as a result of a 'commercial' disposal
- Benefits generated by the transfer of the asset to a VCS organisation and local communities more widely

7.13 The Council's aim will be to make a decision on business cases for asset transfer within 6 weeks of receipt of the full business plan.

7.14 The Council and MVDA will provide ongoing organisational support to the VCS organisation post transfer where appropriate (within available resources) and recognises that extends beyond the point of transfer. Transfer recipients will be expected to produce a statement of community benefit on a 6 monthly or annual basis (although these will not constitute a Service Level Agreement).

7.15 When there are a number of interested parties in an asset that has been made available for transfer, the Council will aim to encourage collaboration. However, when this is not possible a cost benefit analysis will be used to decide the outcome and the successful organization will become the Councils preferred partner in the transfer process.

7.16 The Council will aim to complete the end-to-end process of asset transfer within a maximum of 18 months of receipt of the original proposal.

7.17 The decision to transfer an asset will not be considered as setting a precedent. Each asset transfer will be judged on its own merits and the detail of the transfer arrangements will be arrived at through individual negotiation.

The term Voluntary and Community Sector (VCS) is used to cover not-for-profit groups and organisations with a range of legal forms and social purposes. It includes mutuals, co-operatives, charities and social enterprises.

Report of:	Ian Wright - Director of Finance Councillor Chris Hobson - Executive Member of Finance and Governance
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Submitted to:	Executive - 13 April 2021
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Subject:	Community Benefit Arising from Asset Disposal
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Summary

Proposed decision(s)
That Executive approves an amendment to the Asset Disposal Policy to facilitate local communities benefiting whereby a council owned asset is disposed within their locality above market value.

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

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Supporting locality working, working with local communities and working with partners.	To make Middlesbrough look and feel amazing, working closely with local communities.	Introducing an era of openness and transparency

Ward(s) affected
All wards

What is the purpose of this report?

1. To seek approval for revisions to the asset disposal policy. The amendments outline a community benefit clause which states in the event that an asset is disposed of above the projected market value, 3% of the value is made available for local community use.

¹ Remove for non-Executive reports

Why does this report require a Member decision?

2. In accordance with the Council's scheme of delegation this revision affects all wards.

Report Background

3. Middlesbrough Council holds a significant asset portfolio that is used to deliver services, support businesses and contribute to the well-being of the Town. The acquisition and disposal of assets is essential to enable the Council to update its asset portfolio to meet the changing needs of Middlesbrough.
4. The asset disposal policy sets out a comprehensive framework and governance structure for the disposal of the Council's assets.
5. It ensures that all disposals have clear objectives, decisions are made based on full information and that there is a full audit trail leading to any disposal.
6. The standing asset disposal policy was approved by Executive in January 2020.
7. In some circumstances an asset which is disposed through open market may attract above market value, as such amendments have subsequently been made to the asset disposal policy to allow local communities to benefit should such circumstances arise. These amendments include:
 - 3% of the disposal price is made available to the ward for community use
 - The funding is maintained within the Finance Directorate and spend within the community is agreed by Director of Finance, Executive Member for Finance and Governance and the relevant ward councillors. This will ensure any capital receipt expenditure will meet accounting requirements.

What decision(s) are being asked for?

8. That Executive approves an amendment to the asset disposal policy to facilitate local communities benefiting whereby a council owned asset is disposed of within their respective locality above market value.

Why is this being recommended?

9. To ensure that the Council continues to have an asset disposal process which is responsive, fit for purpose and allows the Council to clearly demonstrate Value for Money in relation to the disposal of council owned assets, but also a policy that reflects support to local communities.

Other potential decisions and why these have not been recommended

10. Do nothing - The asset disposal policy could remain unchanged, and any assets disposed of above market value would have a positive impact in terms of an enhanced capital receipt. However local authority is committed to locality working and this is an opportunity to stimulate investment at ward level.

Impact(s) of recommended decision(s)

Legal

11. The disposal of council owned assets is governed by the Council's standing orders and government legislation.
12. Adoption of the policy amendments, outlined in clause 17 of the attached asset disposal policy (Appendix B) does not create any specific legal issues, although the process actions and any subsequent steps to implement the policy amendments would need to be undertaken within the Council's legal framework.

Financial

13. A valuation is required because the valuation of an asset on the Council's balance sheet is likely to be different to its market value. For accounting purposes the valuation used for the balance sheet is usually based upon the replacement cost to the Council of the asset, rather than what might be achieved if it is sold on the open market. Therefore an open market valuation is required before the disposal process commences. The assumed capital receipt will be based on the market valuation. If the asset disposal achieves a figure higher than the projected market valuation this amended aspect of the policy will apply.
14. In accordance with policy, the disposal of an asset is approved as per the delegation of responsibilities outlined below:
 - Valuation & Estates Manager – up to £50,000
 - Director of Finance – between £50,000 & £150,000
 - Executive Committee – over £150,000

Policy Framework

15. The proposal does not require any change to the Council's existing policy framework

Equality and Diversity

16. A Level 1 (Initial Screening) Impact Assessment (IA) will be carried out on individual asset disposals

Risk

17. There is no identified risk from this policy amendment

Actions to be taken to implement the decision(s)

18. The following actions will be progressed:
 - Adopt the policy amendments from the date of determination
 - Revise all necessary documentation

Appendices

Appendix A – Asset Disposal Policy

Background papers

Body	Report title	Date
Executive report ¹	Estates Strategy – Asset Disposal Policy	21 January 2020

Contact: Louise Grabham

Email: louise_grabham@middlesbrough.gov.uk



Asset Disposal Policy

Live from: April 2021

Live until: April 2024

Title	Asset Disposal Policy		
Creator	Author(s)	David Velemir	
	Approved by	Content to be approved by Executive Committee	
	Department	Finance	
	Service area	Valuation & Estates	
	Head of Service	David Velemir	
	Director	Ian Wright	
Date	Created	January 2020	
	Submitted	April 2021	
	Approved		
	Updating Frequency	Every three years or as case law/legislation require changes	
Status	Version: 1.4		
Contributor(s)	David Velemir, Louise Grabham, Ian Wright, Martin Shepherd, Andrew Perriman, Valuation & Estates Team		
	Legislation	Best Value Statutory Guidance, General Disposal Consent (2003), Local Government Act 1972.	
Subject	Asset Disposals		
Type	Policy		
	Vital Record		EIR
Coverage	Middlesbrough Council		
Language	English		

Document Control

Version	Date	Revision History	Reviser
1.0	December 2016	Policy content agreed within a report to Executive Sub-Committee for Property	Ian Wright
1.1	October 2017	Policy content transferred into a policy format – no change to content – signed off by Estates Strategy Board	Ian Wright / Ann-Marie Johnstone
1.2	January 2019	Additional guidance around what constitutes pipeline and active Disposals	Ian Wright
1.3	January 2020	Policy content to be agreed within a report to Executive Committee	David Velemir
1.4	April 2021	Policy content to be agreed within a report to Executive Committee	Louise Grabham

Distribution List

Version	Date	Name/Service area	Action
1.0	December 2016	LMT, Asset Management, Economic Development, Finance, Legal and Valuation & Estates Teams	Disseminate
1.1	October 2017	LMT, Asset Management, Economic Development, Finance, Legal and Valuation & Estates Teams	Disseminate
1.2	January 2019	LMT, Asset Management, Economic Development, Finance, Legal and Valuation & Estates Teams	Disseminate
1.3	March 2020	Asset Management, Economic Development, Finance, Highways, Legal and Valuation & Estates Teams	Disseminate
1.4	April 2021	Asset Management, Economic Development, Finance, Highways, Legal and Valuation & Estates Teams	Disseminate

Scope and purpose

1. The acquisition and disposal of assets is essential to enable the Council to update its asset portfolio to meet the changing needs of Middlesbrough.
2. Ensuring that the Council's assets are disposed of properly and in the best interests of the town is a key duty of the Council.
3. The purpose of this policy is to set out how the Council will manage disposal of its assets. It provides a framework for decisions to be considered in the light of the responsibility to support communities and stimulate economic activity in Middlesbrough.
4. This policy applies to all property assets owned by the Council. Where approval to dispose of property has been granted under previous policy, steps will only be taken to retrofit application of this policy to 'live' disposal cases.

Equality and Diversity

5. This policy will provide:
 - A clear framework for the disposal of assets
 - A process that will support effective management of the Council's property assets.

Drivers and enablers

6. Asset disposals are an essential part of the delivery of the Council's Estates Strategy, which is intended to support the Mayor's priorities around people, place & business in addition to delivering the Council's Strategic Priorities of:
 - Physical Regeneration
 - Social Regeneration
 - Business Regeneration
7. The policy has been put in place to set out how the Council will manage its property portfolio. The Council's Estates Strategy allows groups its property assets under five categories to ensure they are being effectively managed (properties can move across these groups and may be applicable to more than one group because of the nature of the asset). The five categories are:
 - To generate revenue streams
 - To generate capital receipts
 - To stimulate economic activity
 - To support communities
 - To deliver operational services
8. This policy applies where a business case for disposal of an asset is approved by the Head of Asset Management, as it is no longer required by the organisation for operational purposes and disposal is recommended based on consideration of the Estates Strategy aims.

9. In the interests of completeness there is also a record of assets defined as pipeline disposals – these assets do not yet have an approved asset disposal business case, as they are at an early stage of consideration for disposal and no decision has been made that the Council has a desire to dispose. Once it is clear that the Council no longer requires an asset and wishes to pursue disposal, a business case will be approved by the Head of Asset Management and these disposals will then be classified as active disposals and follow this policy.
10. The disposal of Local Authority assets is governed by the General Disposal Consent (2003) under the Local Government Act 1972. This consent gives Councils the power to dispose of assets for market value or for less than the market value for the following reasons;

Asset Disposal Triggers

11. The Council's property assets will be kept under active management and be assessed with those properties being brought forward for disposal. This process will be overseen by the Council's Asset Management Team. Reasons for disposal could include:
 - Operational assets that are no longer required for the provision of services and/or a drain on the Council's resources
 - Commercial assets that are poorly performing in terms of income generation
 - Properties that have been identified as having the potential to support the voluntary sector in its work within the Town
 - Properties that could have a demonstrable effect on economic and/or social regeneration within the Town
12. This list is not exhaustive and there may be other issues that trigger the rationale for disposal. The trigger(s) for disposal will be fully set out in the Asset Disposal Business Case (ADBC) (attached at Appendix 1). This will be completed in order to establish the preferred use for the asset.

Overview of the asset disposal process

13. The approval process can be broken down into six stages:
 - Stage 1 – Completion of the ADBC and seek decision to market for disposal
 - Stage 2 – Approval given to market the asset for disposal
 - Stage 3 – Marketing of the asset
 - Stage 4 – Approval of sale/decision not to sell based on the outcome of the marketing exercise
 - Stage 5 – Legal Services instructed
 - Stage 6 – Completion of sale
14. These stages are set out in detail in the flow chart attached to this policy at Appendix 2 and the detailed procedure note attached at Appendix 3.

Approval processes

15. The Head of Asset Management will provide initial approval of any Asset Disposal Business Case, to provide assurance that the asset is no longer required by the Council for operational purposes.
16. The approval to market, and final approval to dispose/not sell, will be taken by the following, depending on the estimated value of the asset by the:
 - Valuation & Estates Manager – meets the non-key decision test and up to £50,000.
 - Director of Finance – meets the non-key test and up to £150,000.
 - Executive Committee – meets the key decision test (one element of this is that it is over £150,000).
17. In the eventuality that an asset achieves a price in excess of the projected market value, 3% of the capital receipt will be made available for local community use for the ward in which the asset is located. The funding will be retained by the Finance Directorate and agreement for use will be determined in consultation with the following parties:
 - Director of Finance
 - Executive Member – Finance and Governance
 - Ward member in which asset was situated

This will ensure any capital receipt expenditure will meet accounting requirements.

Overview of the asset disposal process

18. This policy will be reviewed every three years, unless case law, legislation or changes in best practice require it to be reviewed sooner.

Appendix 1

Asset Disposal Business Case

Asset Disposal Business Case

Name of Asset:	
Asset Register Number:	
Current Use:	
Valuation at Current Use (Asset Register)	
Reason for Disposal:	
Latest Valuation (Proposed Disposal)	

Asset disposal stream (Please Select):

Generate Capital Receipt	
Stimulate Economic Activity	
Support Communities	

(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:	
Position:	

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

Yes		No	
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(To be completed by the Valuation & Estates Team)

If yes, please outline the potential use:

Estimated Value at Alternative Use	
------------------------------------	--

Is the Council proposing to dispose of the asset at an undervalue:

Yes		No	
-----	--	----	--

(To be completed by the Valuation & Estates Team)

If yes, please outline the reasons why, and how, the proposed disposal will secure, promote or improve economic & social well-being:

Key factors to be considered when assessing potential disposals:

1.	
2.	
3.	
4.	

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

--

Asset not needed by the Council – approved to proceed:

Head of Asset Management	Yes	No	Date

Preferred method of marketing:

Formal/Informal Offers	
Private Treaty	
Auction	
Community Asset Transfer Process	

(To be completed by the Valuation & Estates Team prior to marketing)

Method for final approval:

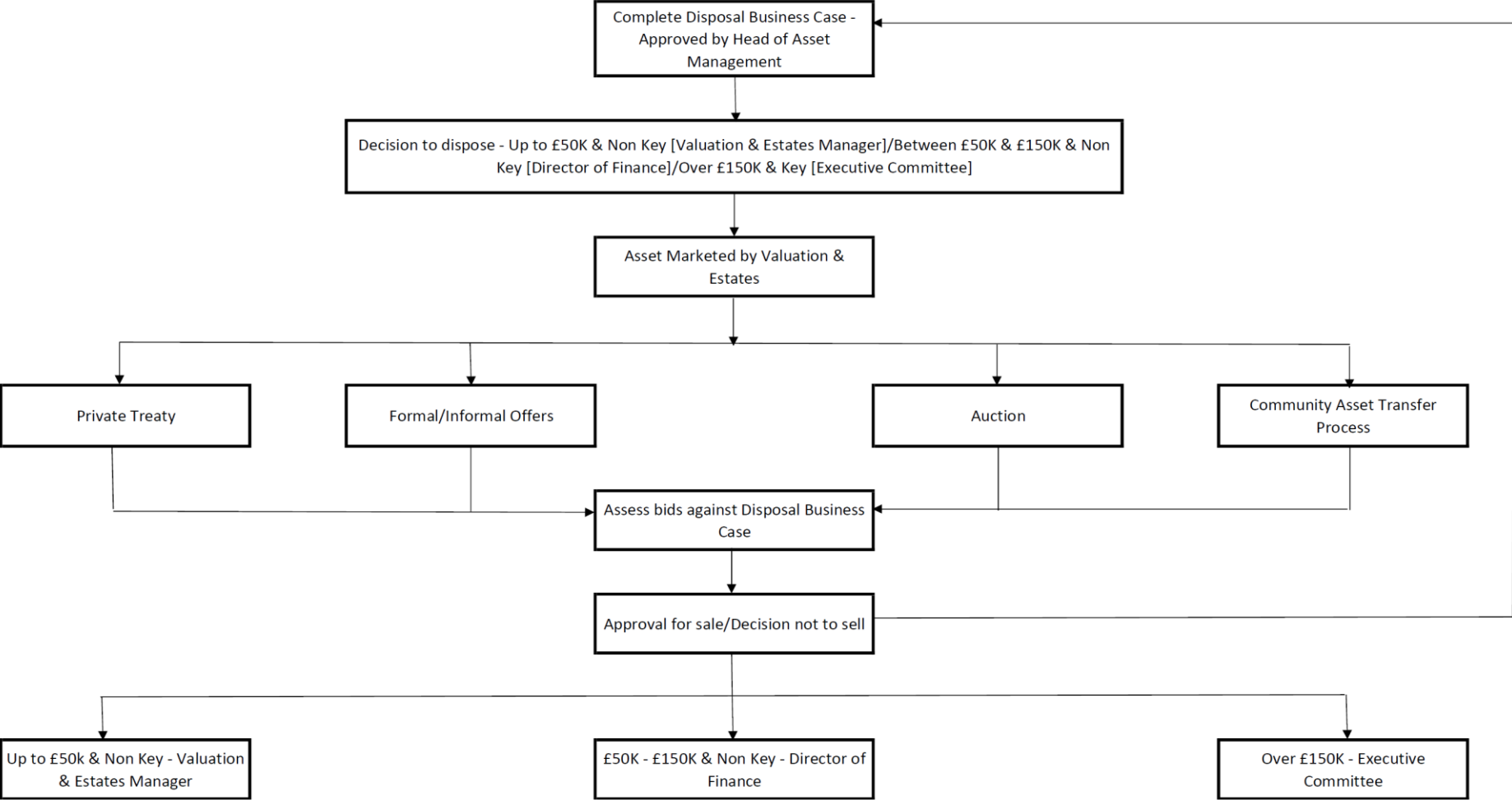
Estimated Value	Approval Required	Authorised	Date
Up to £50,000	Valuation & Estates Manager		
Between £50,000 and £150,000	Director of Finance		
More than £150,000	Executive Committee		

(To be completed by the Valuation & Estates Team prior to marketing)

Appendix 2

Asset Disposal Process Flow Chart

Asset Disposal Process



Appendix 3 – Detailed procedure note

This note should be read alongside the content of the Asset Disposal Business Case template form. It sets out actions that should be taken at each of the six stages of the asset disposal process:

- Stage 1 – Completion of the ADBC and seek decision to market for disposal
- Stage 2 – Approval given to market the asset for disposal
- Stage 3 – Marketing of the asset
- Stage 4 – Approval of sale/decision not to sell based on the outcome of the marketing exercise
- Stage 5 – Legal Services instructed
- Stage 6 – Completion of sale

Stage 1 – Completion of the ADBC

1. The completion of the Asset Disposal Business Case is the commencement of the asset disposal process under this policy. This represents the point where the Council decides that it wishes to actively consider disposal of an asset, prior to this point, consideration of the position of assets may still be monitored but will not be covered by this policy
2. Identification that the most appropriate way to manage an asset is to dispose of it, may come from a number of sources within the Council as part and parcel of day to day asset management. The source and rationale should be clearly recorded within the Asset Disposal Business Case 'reason for disposal' section. All ADBC's will be completed by the Officer requesting disposal in collaboration with the Valuations and Estates Team.
3. The primary reason for disposal should be indicated, whether it is to:
 - Generate capital receipts.
 - Stimulate economic activity.
 - Support communities.
4. The rationale for selecting the reason should be fully set out in the ADBC in this section.
5. It is important to note that because the completed ADBC is approved by Head of Asset Management, that person will not commission any requests for disposals to avoid a potential conflict of interests, although Officers within that service may do so.
6. The ADBC will identify whether an asset could be disposed of for an alternative use that may give greater benefit to the Council. The purpose of this free text section is to identify whether there are other uses that would generate a greater level of income than either the current use or the proposed use, if one has been suggested by the Officer requesting disposal. To give an example that illustrates the thinking required for this section, a building valued by the Council at £10,000 may have attracted interest from a potential buyer who has offered £15,000 – but, as a cleared site, the asset might generate £100,000 in capital, plus housing that would attract new homes bonus payments and increase the Council Tax base of the Town. This last figure, with information on the additional benefits that could be derived, should be entered into the estimated value at alternative use in this example.

7. The next section of the ADBC will set out the key factors that should be considered when assessing disposals. Depending upon the asset, this might include:
 - Any regeneration plans for the area
 - The market value of the property
 - Any other outcomes required from the disposal that may include the potential social value offered by any sale, such as job creation and community benefits.
8. Again, this list is not exhaustive as it is impossible to anticipate every scenario that may result in an asset disposal.
9. In order for the Council to make properly informed decisions around disposal, the market value of the existing use of each asset must be sought at the point of the decision to dispose. Where appropriate, a professional valuation should be procured by the Valuation & Estates Team in order to properly consider the potential of alternative uses for a site/property that might provide an improved return for the Council than the existing, or identified, use.
10. A valuation is required because the valuation of an asset on the Council's balance sheet is likely to be different to its market value. For accounting purposes the valuation used for the balance sheet is usually based upon the replacement cost to the Council of the asset rather than what might be achieved if it is sold on the open market. Therefore an open market valuation is required before the disposal process commences.
11. At this stage it is also important for the Council to assess if some investment in the property, for example around ground investigations or planning consents, would be likely to increase the potential income that could be generated by the disposal.
12. As set out above, the Council is not bound to make decisions around disposals based upon purely financial criteria – it is however essential that the financial position is clearly set out, so that the opportunity cost of delivering other factors can be properly understood.
13. If the Council clearly understands the market value of an asset, with no constraints on the use a purchaser may make of the asset, then it will be able to assess how much potential capital receipt would need to be sacrificed in order to achieve a desired social, economic or environmental outcome.
14. Subject to compliance with the requirements of statutory legislation, the Council is then able to conclude that the reduction in capital receipt is worthwhile in order to obtain the economic, social or environmental value offered by the prescribed use.
15. It is also important that future revenue streams such as Council Tax, New Homes Bonus and Business Rates are properly factored into the equation when assessing the potential benefit to the Council of a transaction. Any assessment of a disposal must take into account the medium to long term and pick up these issues alongside the capital receipt and any short or long term liabilities.
16. The Disposal Business Case will be authorised in the first instance by the Head of Asset Management, to ensure that the disposal of the asset is in line with the Council's overall Estates Strategy.

Stage 2 – Approval given to market the asset for disposal

17. The disposal will then be approved as follows, depending on the estimated value of the asset by the:
 - Valuation & Estates Manager – meets the non-key decision test and up to £50,000.
 - Director of Finance – meets the non-key test and up to £150,000.
 - Executive Committee – meets the key decision test (one element of this is that it is over £150,000).
18. Where approval is via an Officer decision, this must be recorded and published following the Officer delegated decision making process. Democratic Services Officers can provide guidance on completion of this process.
19. Where a meeting of the Executive Committee is required, the Executive report process should be followed. Again, advice on this is available on the intranet, and from Democratic Services Officers.
20. Regardless of the approval route, the proposal to recommend marketing for disposal should be accompanied by sufficient information to provide assurance that the proposal is compliant with the Asset Disposal Policy.

Stage 3 – Marketing of the asset

21. The ADBC will identify the preferred method of Marketing as one of the following:
 - Formal/informal offers
 - Private treaty
 - Auction
 - Community Asset Transfer process

Stage 4 – Approval of sale/decision not to sell based on the outcome of the marketing exercise

22. The delegation of responsibilities for the approval of sales/decision not to sell are outlined below, and are based on the estimated value of the asset, not the sale offer(s) received;
 - Valuation & Estates Manager – meets the non key decision test and up to £50,000.
 - Director of Finance – meets the non key decision test and up to £150,000.
 - Executive Committee – meets the key decision test (one element of this is that it is over £150,000).

23. Any proposed sale that is less than the asset value for current use determined in the Disposal Business Case must be approved by the Director of Finance in their role as S151 Officer and the Director of Legal and Governance Services as Monitoring Officer prior to any of the authorisations taking place. This will apply to any proposed sale:
- **For Assets valued up to £50,000**
Above £10,000 variance from asset value
 - **For Assets valued between £50,000 and £150,000**
Above 20% variance from asset value
 - **For Assets valued above £150,000**
Above 20% variance from asset value or £150,000 variance from asset value
24. In addition to any requests for wayleaves, easements, licences or associated deeds, all new leases, associated renewals, variations and rent reviews are to be signed off by the Valuation & Estates Manager.

Stage 5 – Instruct Legal

25. Once appropriate approvals are secured, instructions to proceed in line with those respective approvals should be issued in writing to Legal Services. Fees will be demanded as standard by the Council in all disposal transactions – upon completion, purchasers will be required to pay the Council's reasonable legal fees (equivalent to 1.50% of the purchase price) and surveyors fees (equivalent to 2.00% of the purchase price). These fees will be subject to capped minimum payments of £1,500 (legal) & £2,000 (surveyors) and the authority to depart from this standard approach will be at the discretion of the Valuation & Estates Manager.

Stage 6 – Completion of Sale

26. Once contracts have been exchanged, the asset will be classified as a completed disposal – if the sale does not proceed, the asset will be reclassified as a legacy disposal, and go back to stage 3 of this policy process.

Report of:	Ian Wright - Director of Finance Councillor Chris Hobson - Executive Member for Finance & Governance
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Submitted to:	Executive - 13 April 2021
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Subject:	Tender Pipeline Approval 2021/22
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Summary

Proposed decision(s)
That Executive approves the tender pipeline for 2021/22 including the delegation of responsibility for award to the relevant Director in consultation with their Executive Member

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

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Procuring high quality services to meet the needs of our residents.	Potential to stimulate local market and create employment opportunity especially for high value contracts.	Ability to encourage and engage local supply chains especially for high value contracts.

Ward(s) affected
All wards are affected

¹ Remove for non-Executive reports

What is the purpose of this report?

1. To approve Middlesbrough Council's tender pipeline for 2021/22 and agree delegation of award to the relevant Director in consultation with their Executive Member.

Why does this report require a Member decision?

2. In line with the Council's Scheme of Delegations Executive approves where a contract will be let in excess of £150k.

Report Background

3. A tender pipeline for April 2021 to 31st March 2022 has been developed as part of our work programme. In order to strengthen governance over procurement we wish Executive to agree the intended procurement activity and delegate authority for contract award to the relevant Director in consultation with their Executive Member.
4. Whilst a tender pipeline has never previously been presented the Specialist Commissioning and Procurement Senior Manager wants to further strengthen internal governance arrangements.
5. The tender pipeline will be a live record which will be maintained by the Commissioning and Procurement Team and available for the supplier market to view on the Council's website.
6. In the event that new tenders are added during the year then individual Executive reports will be presented. Please note that this should be minimal because this should only occur where new funding is available.

What decision(s) are being asked for?

7. That Executive approves the tender pipeline for 2021/22 including the delegation of responsibility for award to the relevant Director in consultation with their Executive Member.

Why is this being recommended?

8. To further strengthen governance arrangements for procurement activity undertaken by the Council.

Other potential decisions and why these have not been recommended

9. There are no other decisions.

Impact(s) of recommended decision(s)

Legal

10. This decision will enhance governance of procurement and is welcomed by Legal services.

Financial

11. This decision will enhance Finance services knowledge of tender activity of the Council and is welcomed by the service.

Policy Framework

12. This decision will support delivery of the Mayor's Vision, assist in budget planning and achievement of the Medium Term Financial Plan and help deliver the Council's Strategic Priorities through procurement of services.

Equality and Diversity

13. An Impact Assessment has been completed and found no concerns that the Tender Pipeline and delegation of responsibility could have any adverse effects and the assessment is attached as Appendix A.

Risk

14. There are no direct risks associated with this report.

Actions to be taken to implement the decision(s)

15. The Tender Pipeline 2021/22 will continue to be published on the Council's website and used to engage with the market.
16. The Specialist Commissioning and Procurement Senior Manager will implement a formal sign off process for Directors and procurements that fall under their remit.

Appendices

Appendix A – Tender Pipeline 2021/22

Appendix B – Impact Assessment

Background papers

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

Contact: Claire Walker, Specialist Commissioning and Procurement
Senior Manager

Email: Claire_walker@middlesbrough.gov.uk

APPENDIX A

TENDER TITLE	DESCRIPTION OF SERVICE	ANTICIPATE PUBLISH DATE *	ANTICIPATED TENDER ROUTE	DIRECTOR (DELEGATED FOR AWARD)
Alternative Education Framework	Range of alternative education delivery services for young people excluded from school.	Apr-21	Tender	Director of Children's Services
Unix Oracle Environment, Hardware & Services (ICT)	A complete server and storage solution for ICT services.	Jun-21	Framework	Director of Legal & Governance
Supply, Install, Maintenance & Servicing of CCTV	The supply, installation and maintenance of CCTV provision across Middlesbrough.	Jun-21	Tender	Director of Environment & Communities
Independent Investigating Officer/ Independent Person - (Children's Complaints & Secure Reviews)	Individual Investigating Officers and Person's that support the Council in investigating complaints and carrying out secure reviews to ensure the voice of the child is heard.	Jun-21	Tender	Director of Children's Services
Actuarial Benefits and Governance Consultancy Services (Teesside Pension Fund)	To provide advice, guidance and regulatory support to the Teesside Pension Fund.	Jul-21	Framework	Director of Finance
Tracking Devices (vehicle)	Supply of tracking devices for Council owned vehicles.	Aug-21	Quotation	Director of Environment & Communities

APPENDIX A

TENDER TITLE	DESCRIPTION OF SERVICE	ANTICIPATE PUBLISH DATE *	ANTICIPATED TENDER ROUTE	DIRECTOR (DELEGATED FOR AWARD)
Insurance Services	Provision of insurance cover for the Council.	Sep-21	TBC	Director of Finance
Specialist Prescribing Service	This Specialist Clinical Support Service offers support and interventions including prescribing, testing and detoxification for the treatment of alcohol or other drug dependence to adults and young people in Middlesbrough.	Sep-21	Tender	Director of Public Health
Supply of Memorial Plaques, Vases and associated products	Supply of memorial plaques, vases and other associated products for the Council crematorium service.	Dec-21	Tender	Director of Environment & Communities
Short Break Services	Short Break & Respite provision for Children and Young People with disabilities.	Jan-22	Tender	Director of Children's Services
Traffic Signals Framework	Framework for the Supply & Delivery of Traffic Signal Poles, General Eqpt, Repairs & Removals, Cabling and parts, Installation services and ITC equipment for Traffic Management Systems	Apr-21	Framework	Director of Environment & Communities

APPENDIX A

TENDER TITLE	DESCRIPTION OF SERVICE	ANTICIPATE PUBLISH DATE *	ANTICIPATED TENDER ROUTE	DIRECTOR (DELEGATED FOR AWARD)
HWRC - Haverton Hill (Middlesbrough and Stockton Council and Stockton are leading the procurement)	Provision of a waste tip for both Middlesbrough and Stockton residents.	2021/22	Tender	Director of Environment & Communities
Parking Ticket Machines	Supply and maintenance of car parking ticket machines for car parks in Middlesbrough.	2021/22	TBC	Director of Environment & Communities
Teesside Pension Fund Administration	Supplier to provide administration function on behalf of the Teesside Pension Fund.	2021/22	TBC	Director of Finance
Therapeutic Services Framework	Range of suppliers offering therapeutic intervention services for children and young people to be called off as identified as part of care plan.	2021/22	Tender	Director of Children's Services
Document Storage & Retrieval	Supplier to provide a documentation storage and retrieval service for Middlesbrough Council.	2021/22	TBC	Director of Legal & Governance
Kerbside Recycling (Middlesbrough and Redcar & Cleveland and potentially South Tyne & Wear Waste Partnership)	Provision of a kerbside recycling collection and disposal..	2021/22	Tender	Director of Environment & Communities

* Please note that dates are not fixed and could be changed dependent upon circumstances.

TBC - procurement routes are still being considered to ensure the right route to market is identified.

Template for Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Tender Pipeline 2021/22			
Coverage:	Crosscutting			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input checked="" type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities <p>Introduction of an annual Executive approval of the Tendering Pipeline for the forthcoming financial year and seek delegated authority to the relevant Director for contract award.</p> <ul style="list-style-type: none"> • Statutory drivers (set out exact reference) <p>There are no statutory drivers for this service, however, procurement must comply with a range of legislation and instruments, including but not exclusive, Public Contract Regulations 2015. The introduction of this annual Tender Pipeline approval will also strengthen our internal governance arrangements.</p> <ul style="list-style-type: none"> • Differences from any previous approach <p>Previously the tender pipeline has not been presented to Executive for approval, however, this was identified as an opportunity to enhance our governance arrangements in respect of high value contracts.</p> <ul style="list-style-type: none"> • Key stakeholders and intended beneficiaries (internal and external as appropriate) <p>The Council, residents of Middlesbrough, local suppliers and supply chains</p> <ul style="list-style-type: none"> • Intended outcomes <p>To strengthen our internal governance in respect of the award of high value contacts. Increase the markets understanding of tender opportunities for the coming financial year.</p>			
Live date:	April 2021			
Lifespan:	April 2021 – March 2022			
Date of next review:	January 2022			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*</p>	X	<input type="checkbox"/>	<input type="checkbox"/>	<p>The approval from Executive of the tender pipeline for 2021/22 and delegated responsibility to the relevant Director for contract award will ensure that the Council is being fair, open and transparent in all its formal tendering activity. It is not envisioned that this Tender Pipeline approval would negatively impact on individual Human Rights as enshrined in UK Legislation. Evidence includes analysis of performance against legislative requirements. E-tendering portal used to publish tenders and all suppliers are directed and encouraged to register on the portal which provides (this is free of charge)</p>

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

Screening questions	Response			Evidence
<p>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?*</p>	<p style="text-align: center;">x</p>	<p style="text-align: center;"><input type="checkbox"/></p>	<p style="text-align: center;"><input type="checkbox"/></p>	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Councils must have due regard to the need to:-</p> <ul style="list-style-type: none"> • 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. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> • 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. <p>The Tender Pipeline 2021/22 is in place to ensure that the Council is fair, open and transparent in all its tendering activity. The Tender Pipeline will ensure fair access to procurement opportunities for all. There are no concerns that these changes could result in adverse differential impacts on groups or individuals. Evidence includes analysis of performance against legislative requirements. E-tendering portal used to publish tenders and all suppliers are directed and encouraged to register on the portal which provides (this is free of charge).</p>

Screening questions	Response			Evidence
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	X	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Tender Pipeline 2021/22 is in place to ensure that the Council is fair, open and transparent in all its tendering activity. There are no concerns that the proposal could have an adverse impact on community cohesion. Evidence includes analysis of performance against legislative requirements. E-tendering portal used to publish tenders and all suppliers are directed and encouraged to register on the portal which provides (this is free of charge).</p>
<p>Next steps:</p> <ul style="list-style-type: none"> ➤ 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:	Claire Walker		Head of Service:	Louise Grabham
Date:	29 th January 2021		Date:	29 th January 2021

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
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Submitted to:	Executive - 13 April 2021
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Subject:	Boho Residential Site - Marketing and Disposal
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Summary

Proposed decision(s)
That Executive approves: a) the commencement of a process to market and dispose of the Council’s freehold interest in land at Middlehaven, in order to facilitate the Boho Residential development; and, b) the principle to allocate grant funding of up to £2m from the Towns Fund, where an appraisal has confirmed that there is a funding gap that would otherwise make the scheme unviable, subject to confirmation of compliance with Subsidy Control rules.

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 proposal to dispose of the subject parcel of land will generate Council Tax and Business Rates.

Ward(s) affected
Central Ward.

What is the purpose of this report?

1. The purpose of the report is to seek Executive approval for:
 - a) the commencement of a process to market and dispose of the Council's freehold interest in land at Middlehaven, in order to facilitate the Boho Residential development; and,
 - b) the principle to allocate grant funding of up to £2m from the Towns Fund, where an appraisal has confirmed that there is a funding gap that would otherwise make the scheme unviable, subject to confirmation of compliance with Subsidy Control rules.

Why does this report require a Member decision?

2. The proposal relates to the disposal of an asset deemed to be surplus, which is valued in excess of the £150,000 threshold.

Report Background

Vision

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:
 - a) develop Middlehaven as a residential, leisure and commercial centre of national significance; and,
 - b) 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 also identifies a priority to develop 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 Middlehaven.
5. The establishment of a viable and vibrant Urban Living concept will also 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.
6. Major house builders make development decisions based upon market demand, which in Middlesbrough has historically been driven by a desire to live in a family house with good amenities and facilities. In contrast, development in the town centre has been perceived to be higher risk with high development costs and lower sales values. A major residential development in Middlehaven will help kick start a market, which is commercially challenging.

Boho Next Generation

7. In March 2020, the Executive approved the Boho Next Generation: Creating The DigitalCity report, which set out the plans for the Delivery of Boho X, which forms the first phase of a wider vision / master plan for the DigitalCity campus encompassing a much wider opportunity that could provide up to £250m of business and residential development.

8. The report outlined that Boho X scheme will form part of a much wider vision for the development of a wider DigitalCity campus, incorporating much of the former St Hilda's area. The total development value could amount to £250m of investment comprising of extensive new workspace, residential development and an urban farm. It will also include the renovation of the key heritage assets of the Old Town Hall and the former Captain Cook Public House, Middlesbrough's oldest intact pub. It was reported that, whilst the initial phase focused on the development of the business workspace, the master plan allowed for substantial residential opportunities.

Boho Residential Development

9. The Boho Residential site is approximately 1.25 acres and is shown on the plan attached as Appendix 1. The area comprises the eastern area of a Council owned car park, which is surrounded by a perimeter fence with gated access, and is adjacent to the site of Boho X.
10. The vision for the proposed scheme is to create an aesthetically pleasing development of up to 90 residential units. Marketing particulars will be produced, which will provide guidelines on the key layout principles, type and quality of development that the Council will be seeking to achieve on this site. Historic England have already identified that future development in this area should show greater regard for the historic grid iron pattern of the area.
11. As a consequence, schemes in this location will be expected to have a strong street frontage presence, with development being on the perimeter of development blocks giving a strong definition to streets and the grid iron street pattern. There should also be consistent and high quality public realm linking the various components of the area, bringing a uniformity to the street scape and urban form, which will be key to place making. Buildings will need to be designed with this in mind and should seek to integrate into this wider vision for the area.

Land Value and Grant Assistance

12. The land has been valued by Valuation and Estates at £220k per acre, giving a land value of £275k. An Asset Disposal Business Case is attached as Appendix 2 to this report.
13. The site has been subject to little interest from market house builders due to market forces, and the potentially onerous cost of development in this location makes it a relatively unattractive development opportunity. As a result there is a need to consider the proposal from a long-term perspective, where the Council works with a development partner to mitigate the effect of lower values in the short-term.
14. The Council has recently received an award of funding from the Towns Fund and, in recognition of the issues set out above, this report will recommend that grant funding of up to £2m will be made available to prospective developers on a per unit basis, where an appraisal can demonstrate that the scheme would otherwise be financially unviable.

15. If the recommendations of this report are approved, the details of the grant scheme will be developed, and compliance with Subsidy Control rules confirmed, prior to being issued to prospective bidders with the marketing particulars.

Wider Socio-Economic Benefits

16. The anticipated capital receipt from the sale of the site cannot be considered in isolation. The wider socio-economic benefits to the town must also be considered. The development will complement Boho X and will support the implementation of the DigitalCity masterplan by providing high quality homes for potential employees.
17. The disposal of the site will generate the following benefits:
- a) The opportunity to kick start the Mayor's Urban Living agenda.
 - b) The redevelopment of a key regeneration site.
 - c) The development of up to 90 high quality homes.
 - d) The generation of around £125k per year from Council Tax, based on 90 Band A homes.
 - e) A 2014 study by the Centre for Economics and Business Research shows that for every pound invested in house building, a further £1.42 is generated in the wider economy.

Timescales

18. An estimated timetable for the marketing process is set out below.
- | | |
|---|-------------|
| a) Production of marketing particulars: | May 2020 |
| b) Site marketed via NEPO portal: | June 2020 |
| c) Preferred bidder identified: | August 2020 |

What decision(s) are being asked for?

19. That Executive approves:
- a) the commencement of a process to market and dispose of the Council's freehold interest in land at Middlehaven, in order to facilitate the Boho Residential development; and,
 - b) the principle to allocate grant funding of up to £2m from the Towns Fund, where an appraisal has confirmed that there is a funding gap that would otherwise make the scheme unviable, subject to confirmation of compliance with Subsidy Control rules.

Why is this being recommended?

20. 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:
- a) develop Middlehaven as a residential, leisure and commercial centre of national significance; and,

- b) build more town centre homes to boost businesses and increase vibrancy, while reducing the need to build on green space.
21. The establishment of a viable and vibrant Urban Living concept will also 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.
 22. The development will also complement Boho X and will support the implementation of the DigitalCity masterplan by providing high quality homes for employees.

Impact(s) of recommended decision(s)

Legal

23. The Council has justification to use appropriate powers of disposal under Section 123 of the Local Government Act 1972 and the General Consent under Circular 06/03, and the transaction will be documented in accordance with required legal procedure. The Council has a statutory duty to dispose of land for the best consideration that can be reasonably obtained.
24. In considering the offers received, the Council can also consider matters other than purely financial benefits. It may also consider the wider regeneration benefits it provides within the wider DigitalCity masterplan in an assessment of best value against strategic aims.
25. The property would be disposed of freehold with vacant possession in accordance with standing disposal protocol.
26. The details of the proposed grant scheme will be reviewed by Legal Services to ensure compliance with Subsidy Control rules.

Financial

27. The land has been valued by Valuation and Estates at £220k per acre, giving a land value of £275k.
28. Subject to the approval of the recommendations of this report, grant funding of up to £2m from the Towns Fund will be made available to prospective developers on a per unit basis, where an appraisal can demonstrate that the scheme would otherwise be financially unviable, subject to confirmation of compliance with Subsidy Control rules.
29. A development of 90 units would potentially generate around £125k per year from Council Tax in perpetuity (based on Council Tax Band A).

Policy Framework

30. Making Middlesbrough THE DigitalCity is a corporate priority and a key political pledge of the Elected Mayor.
31. Development of the digital and creative cluster is a key ambition within the Tees Valley

Strategic Economic Plan and contributes to the overall commitment to increase jobs and strengthen the local economy by 2025.

32. The decision is, furthermore, aligned with the Mayor's vision to attract an additional four thousand people to live in the town centre in the next ten years.
33. The decision is also aligned to the Medium Term Financial Plan as the proposed housing development will generate income from Council Tax.

Equality and Diversity

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

Risk

35. The following high level risks, which are identified in the Strategic and Directorate Risk Registers, will be reduced by the development of the Boho Residential scheme as proposed.

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.

36. The following risks are directly associated with the proposed disposal of the site.
- a) Quality: The quality of the development can only be controlled via the statutory planning process.
 - b) Delivery timescales: The Council cannot directly control the timescales of development, but the legal documentation will include appropriate terms regarding milestones for planning consent, the start of development, and, a buy back option.

Actions to be taken to implement the decision(s)

37. Subject to Executive approval, the Council will commence the development of marketing particulars.

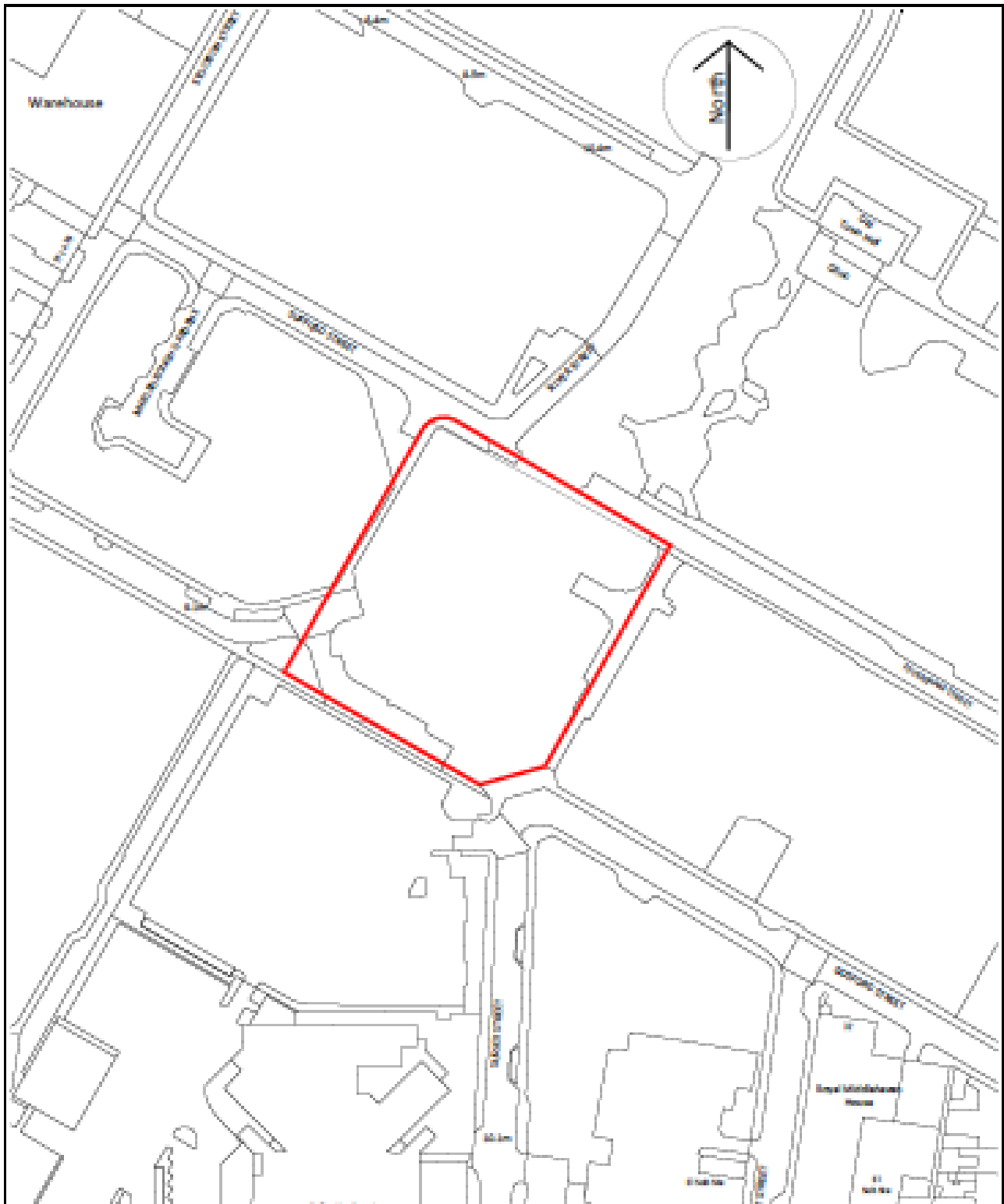
Background papers

Body	Report title	Date
Executive	Boho Next Generation: Creating the DigitalCity	17 th March 2020

Appendices

- Appendix 1: Site Plan
Appendix 2: Asset Disposal Business Case
Appendix 3: Impact Assessment Level 1: Initial Screening Assessment

Appendix 1 – Site Plan



Design Services Growth and Place Middlebrough Council PO Box 504 2 nd Floor Civic Centre Middlebrough, TS1 9PY www.middlebrough.gov.uk	Project Location Boho Towers	
	Drawing Title Red Line boundary	
	Scale 1:1250@A4	Drawn _____
	File No. Midd-07-4-01	Date _____
© COPYRIGHT: ALL RIGHTS RESERVED. This drawing must not be reproduced without permission. Do not scale. Contractor is responsible for checking dimensions which are in millimetres unless otherwise stated.		

Asset Disposal Business Case

Name of Asset:	Land at Middlehaven – Boho Residential Site.
Asset Register Number:	12004/127 – part only [of a large St Hilda's title]
Current Use:	Vacant – undeveloped parcel of land, being held by the Council for the purpose of regeneration.
Valuation at Current Use (Asset Register)	£218,750 [1.25 acres @ £175,000 per acre]
Reason for Disposal:	<p>The Elected Mayor of Middlesbrough has a vision to house an additional 4000 people in the town centre in the next ten years and wishes to promote the concept of Urban Living.</p> <p>The Council wish to dispose of the site in order to bring forward an aesthetically pleasing residential scheme that will complement other developments in the area, including Boho X.</p> <p>The subject site measures approximately 1.25 acres, is rectangular in shape and generally level.</p> <p>The development is anticipated to deliver up to 90 units of accommodation.</p>
Latest Valuation (Proposed Disposal)	£275,000 [1.25 acres @ £220,000 per acre] – subject to the deduction of applicable development and abnormal scheme costs in order to confirm the net land value payable.

Asset disposal stream (Please Select):

Generate Capital Receipt	(02)
Stimulate Economic Activity	(01)
Support Communities	(03)

(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:

Yes		No	✓
-----	--	----	---

(To be completed by the Valuation & Estates Team)

If yes, please outline the potential use:

N/A

Estimated Value at Alternative Use	N/A
------------------------------------	-----

Is the Council proposing to dispose of the asset at an undervalue:

Yes		No	✓
-----	--	----	---

(To be completed by the Valuation & Estates Team)

If yes, please outline the reasons why, and how, the proposed disposal will secure, promote or improve economic & social well-being:

N/A

Key factors to be considered when assessing potential disposals:

1.	Capital receipt generated
2.	Fulfilment of the Borough's Local Plan Framework housing requirement
3.	The development proposal addresses the Mayor's Urban Living vision
4.	Disposal will bring the subject site into a far more beneficial use going forward

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

Disposal as proposed delivers capital investment in Middlesbrough and brings forward for development a site that is held by the Council for the purposes of regeneration.

Delivery of the scheme proposed will generate significant economic activity in Middlehaven and hopefully create much needed local employment opportunities during the period of its procurement, and development.

Asset not needed by the Council – approved to proceed:

Head of Asset Management	Yes	No	Date
<i>Martin Shepherd</i>	✓		<i>24/3/21</i>

Preferred method of marketing:

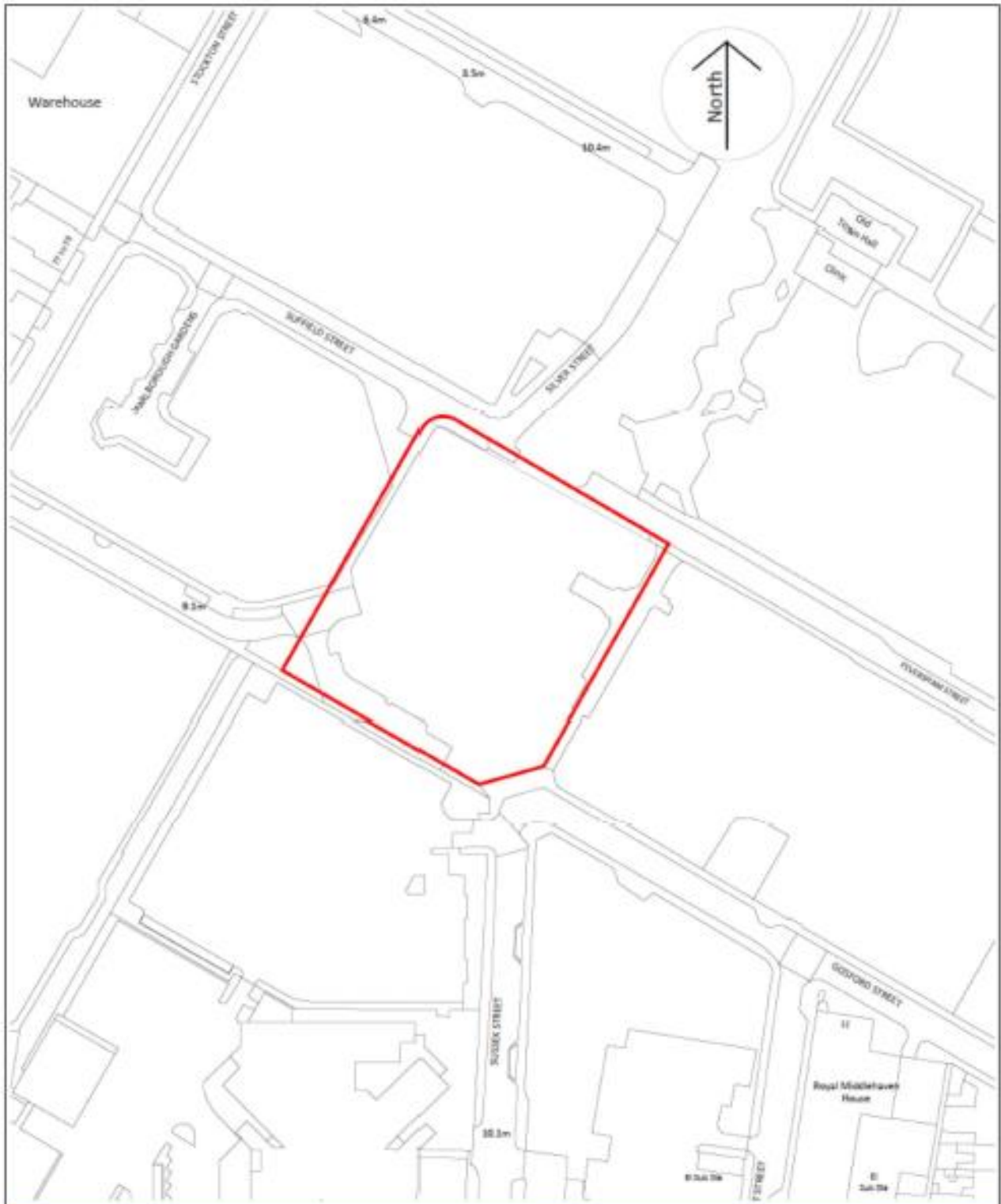
Formal/Informal Offers	✓
Private Treaty	
Auction	
Community Asset Transfer Process	

(To be completed by the Valuation & Estates Team prior to marketing)

Method for final approval:

Estimated Value	Approval Required	Authorised	Date
Up to £50,000	Valuation & Estates Manager		
Between £50,000 and £150,000	Director of Legal & Governance Services		
More than £150,000	Executive Committee	<i>David Velemir</i>	<i>24/03/2021</i>

(To be completed by the Valuation & Estates Team prior to marketing)



Design Services Growth and Place Middlesbrough Council PO Box 504 1 st Floor Civic Centre Middlesbrough, TS1 9FY www.middlesbrough.gov.uk	Project Location: Bufoe Turners		
	Drawing Title: Red line boundary		
	Scale: 1:1250@A4		Drawn
	File Ref: Middlehaven	Dwg no: Midd-BT-L-01	Date
	© COPYRIGHT: ALL RIGHTS RESERVED. This drawing must not be reproduced without permission. Do not scale. Contractor is responsible for checking dimensions which are in millimetres unless otherwise stated.		

Appendix 3 - Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Boho Residential Development – Site Disposal			
Coverage:	Service specific.			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input checked="" type="checkbox"/> Other (please state) Asset management		
It is a:	New approach:	<input type="checkbox"/>	Revision of an existing approach:	<input checked="" type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities To assess the impact of the proposal to dispose of Council land.</p> <p>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.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) The Council and the local community.</p> <p>Intended outcomes The proposed disposal of the subject site would deliver the following outcomes:</p> <ul style="list-style-type: none"> • 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 regeneration site. • The development of up to 90 units of high quality residential accommodation. • The generation of around £125K per year from Council Tax.. 			
Live date:	April 2021.			
Lifespan:	Not applicable			
Date of next review:	Not applicable			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Human Rights</p> <p>Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*</p>	☒	☐	☐	<p>It is considered that the disposal of the subject land 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:</p> <ul style="list-style-type: none"> the fact that the land is a brownfield site in a regeneration area; the development of 90 new residential units that the disposal will facilitate; and, the establishment of a thriving urban living market, which will diversify the town centre economy.
<p>Equality</p> <p>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?*</p>	☒	☐	☐	<p>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:</p> <ol style="list-style-type: none"> 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. <p>It is considered that the proposal to facilitate the development of new homes will not have a disproportionate adverse impact on a group, or individuals, because they hold a protected characteristic.</p>
<p>Community cohesion</p> <p>Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	☒	☐	☐	<p>There are no concerns that the proposal could have an adverse impact on community cohesion.</p> <p>The decision to dispose of the land to facilitate the development of new homes will not impact negatively on relationships between different groups. The decision would assist the Council's Social Regeneration agenda, ensuring a steady supply of high quality homes to meet the needs of its emerging and aspiring population.</p>

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

Screening questions	Response			Evidence
<p>The Mayor's Vision For Middlesbrough Could the decision impact negatively on the achievement of the vision for Middlesbrough?*</p>	☒	☐	☐	<p>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.</p> <p>The Mayor's ambition accords with the priorities for Place, set out in the Strategic Plan, which states that the Council will:</p> <ul style="list-style-type: none"> a) develop Middlehaven as a residential, leisure and commercial centre of national significance; and, b) build more town centre homes to boost businesses and increase vibrancy, while reducing the need to build on green space.
<p>Organisational management / Change Programme Could the decision impact negatively on organisational management or the transformation of the Council's services as set out in its Change Programme?*</p>	☒	☐	☐	<p>The decision would not have any negative implications for the Council's transformation programme. The proposal will generate Council Tax, which supports the Council's Medium Term Financial Plan.</p>

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.

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Report of:	Councillor Ashley Waters - Executive Member for Regeneration Councillor Chris Hobson - Executive Member for Finance and Governance Richard Horniman - Director of Regeneration and Culture Ian Wright - Director of Finance
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Submitted to:	Executive - 13 April 2021
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Subject:	Future High Streets Fund - Town Centre Property and Asset Management (PART A)
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Summary

Proposed decision(s)
The following is asked of the Executive: a) That the information contained in Part A of the report be noted; and b) That the decision be taken once all the financial or exempt information contained in Part B of the report has been considered.

Report for:	Key decision:	Confidential:	Is the report urgent? ¹
Decision regarding property investment and asset management	Yes	No (PART B - Exempt under paragraph 3 of Part 1 of Schedule 12A to the 1972 Act)	No

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
The proposals will attract significant investment within the town centre, to contribute to the objective that <i>"We will ensure that we place communities at the heart of what we do, continue to deliver value for money and enhance the reputation of Middlesbrough"</i>	The proposals will stimulate investment within the town centre, in support of a Council-owned asset, and aimed at creating new opportunities and jobs, to contribute to the objective that <i>"We will transform our town centre, improving accessibility, revitalising unused assets, developing iconic new spaces and building more town centre homes"</i> .	The proposals will enable the Council to secure a new leisure offer to deliver a strengthened and repurposed town centre, attracting new jobs and investment. by <i>"making sure we work as effectively as possible to support our ambitions for People and Place"</i> .

Ward(s) affected

Central Ward – albeit the economic benefits will be town-wide.

What is the purpose of this report?

1. The report sets out the delivery framework for the delivery of the recently allocated £14.1m from the Future High Streets Fund (FHSF). A significant proportion of this is proposed to be spent within the Council owned asset, the Captain Cook Square shopping centre. The report also sets out the operational parameters against which officers are delegated to manage and let the asset; and, the formal approval to deliver the FHSF interventions, in line with the strategic business case and funding criteria; as set out in the successful bid.

Why does this report require a Member decision?

2. Following the announcement of the successful bid relating to the Future High Streets Fund, the approved programme budget of £14.1m exceeds the Council's key decision threshold and, therefore, requires Executive approval to commence delivery.
3. In addition, it is necessary to agree the delegated operational parameters for lettings, debt recovery and asset management which enable the transformation of the asset to build the proportion of leisure uses. Similarly, the approach will respond to asset management issues arising from Covid-19 and the resultant retail sector distress, in line with Council policies, whilst providing as much support as possible to the individual tenants.

Report Background

4. The Executive report relating to the purchase of the Captain Cook Shopping Centre (20th December, 2019) provided a comprehensive case for the acquisition and proposed repurposing of the centre; in support of the wider town centre economy. This report detailed the business case for such investment and how the Council had a compelling case to intervene in diversifying the economy. The intention is to actively manage the asset as a going concern with the strategic objective to repurpose to alternative and more sustainable leisure uses. This approach provided the basis for the Council's original FHSF competitive funding application (further details below) totalling £20.5m; now amended to a £14.1m allocation.
5. The FHSF application criteria required the Council to demonstrate its capital investment, and longer-term intentions, as well as what private sector interest had been received and the commitment the interested parties had demonstrated. The schemes that were deemed more deliverable and were scored higher were those which had either entered detailed negotiations, or initiated design teams or preliminary studies. The Council was therefore obliged to have presented as much information, at that time, of detailed interest, and what schemes it believed would provide the most transformation.
6. One of the key objectives within the business case to acquire was to rebalance the economic mix and diversify C. 400k sqft of floorspace to commercial and leisure uses, creating a more balanced and attractive offer to support and enhance the town centre. Whilst Covid-19 has had a significant impact on the leisure and hospitality sector, market specialists still maintain that this is the commercial direction of high street areas and the sector anticipates strong recovery, when circumstances allow.

7. For the effective management of the estate, in line with the strategic transformation objectives, it is critical that the managing agent and senior council officers are working to agreed parameters to enable the transformation of the asset. This often requires urgent, commercial decisions to be made to capitalise on immediate interest and the ability for the managing agent to operate for the commerciality of the council's asset.

Future High Street Fund (FHSF)

8. Middlesbrough sees a bright future for its high street. The vision is based on building a new urban community in the heart of Middlesbrough. By bringing more people to live in central Middlesbrough (an offer which does not currently exist), the strategy meets the transformational objectives of:
 - meeting housing demand both now and in the future;
 - driving reliable footfall into the heart of the High Street;
 - converting, adapting and diversifying a chronic oversupply of retail space;
 - attracting and retaining skills and talent; and,
 - building an increasingly, economically-active consumer base which will provide the necessary demand to sustain the transformation to a balanced leisure economy.
9. Middlesbrough Council has successfully secured £14.1m from the FHSF. This includes:
 - i. £3.5m for residential property;
 - ii. £1.05m for transport adaptations and improving safety / security of town centre areas;
 - iii. £270,352 for cultural animation and experiences;
 - iv. £250k for businesses adaptations for covid mitigations; and,
 - v. £9.1m for the transformation of Captain Cook Square for leisure uses, incentives, decant compensation, remodelling units, contribution to fit out and adapting public spaces.
10. The £9.1m dedicated to Captain Cook Square requires input from both Council officers and the managing agent. The most appropriate funding structure will be identified to ensure that all works and financial incentives are procurement compliant, subsidy control regime (former state aid) compliant and are delivered to the conditions of funding set out by HMGovt.
11. Any changes to project elements within the £9.1m allocation would be subject to a Change Control process with Government, however, it is advised that the Director of Regeneration and Culture and the Director of Finance are delegated approval to vire allocations beneath the £9.1m allocation, insofar as the objects of the project and the outputs are unaffected or bettered.

Estate Management Parameters

12. Council appointed agents, Praxis, have been managing the asset, as of mid-November 2020. It has been a challenging and difficult period in terms of national rates of retail distress, rent collection and management, however the Council continues to receive collected income at an improving rate, whilst covering its associated costs.
13. Much interest has been forthcoming from leisure providers in investing in the vision for a leisure quarter in Captain Cook Square and firm interest is in place for a number of large and small units, with a range of local and national operators. It is proposed that Praxis lead on the discussions, on behalf of the Council, to progress such.

Debt Recovery Strategy

14. Praxis maintain a pro-active approach to rent and debt collection and have an impressive collection rate, when compared with industry standards. Whilst lockdown measures (and a national moratorium on rent lease enforcement, has significantly impacted rent collection in the traditional format, Praxis remain committed to regular engagement and collection of debt. Given that lockdown is to be lifted imminently, and it is likely that Government moratoriums on pursuing debt and evictions is to be lifted, Praxis require Council guidance on how firmly they pursue and enforce debt collections; on behalf of the Council.
15. The recommended approach is to continue to pursue and enforce debt collections in a firm, commercial manner, albeit with the safeguard that the Council will have the final sign-off of debt enforcement and the approach, in each instance. This allows the Council to be sighted on any potential sensitive or reputational matters.

Targeted Marketing – Leisure Interest

16. Since the announcement of the purchase of the Captain Cook Shopping Centre, the asset has been inundated with interest from many regional and national leisure operators. This has been extremely positive, particularly as interest has remained strong in the wake of COVID. The operators remain optimistic about underlying market conditions and have bought into Middlesbrough's vision. Many investor appreciate the opportunities available due to the FHSF and this further incentivises operators to relocate in the centre.
17. Leisure interest has been surprisingly high, even in the midst of the Covid pandemic. Since the shopping centre was purchased in June 2020, many interested parties have contacted the Council direct, with requests for additional information, site visits, and to learn more about the Council's longer term intentions. Praxis has commenced detailed dialogue with a number of operators, including proposals for :
 - bowling alley with associated multi-use leisure attractions;
 - boutique cinema;
 - multi-leisure venue;
 - small-medium scale Breweries;
 - restaurants and eateries, with proposals to maximise outdoor space ; and,
 - Hosting event(s) – temporary/seasonal usage for central square area
18. In addition to the positive interest already received, it is important that interest / options are secured from as wide an offer as possible, both regionally and nationally. Marketing for leisure-focused expressions of interest, promoted (via Praxis) a notification asking for expressions of interest, has been circulated to sector specialists. The outcome of this exercise will not only capture interest at this site, but may also assist in the numerous commercial Council led opportunities currently available.
19. Officers from across the Council have commenced discussion to assess planning, environmental, highway, safety and security issues and provide early guidance to Praxis in terms of how the new uses can effectively work with those retail businesses which will remain in the estate. To ensure effective project management, a monthly working group, along with a Strategic Board, has been created to oversee this programme of works.

Why is this being recommended?

20. The Council has purchased the Captain Cook Shopping Centre as part of a strategic case to support the town centre economy and to provide significant commitment to FHSF programme, demonstrating a coherent policy to intervene in, and enhance, a struggling

market. This was pre COVID, in the wake of COVID, town centre issues, alongside the unfortunate number of distressed retailers, has amplified and exacerbated the problems facing retail, leading to a greater and more urgent case for intervention.

21. The announcements prior to Christmas, and in the recent Budget, provided much needed and anticipated news, that the Council had been successful in levering in desperately required Government capital. The proposals within this report both maximise this contribution and allow this to be used to lever in additional private finance, which minimises the Council's risk.

What decision(s) are being asked for?

22. The following is asked of the Executive:

- a) That the information contained in Part A of the report be noted; and
- b) That the decision be taken once all the financial or exempt information contained in Part B of the report has been considered.

23. In delivering FHSF and managing Captain Cook Square, alternative options include:

Do nothing:

24. The Council could remain landlord of the asset and passively manage it as going concern for retail uses (or any forthcoming tenant enquiry. Praxis would remain as managing agent and would operate the facility on Middlesbrough Council's behalf.

25. Whilst the business case made the investment viable under a 'business as usual' model, failure to invest available FHSF funding to and enhance and repurpose the site would represent a lost opportunity to enhance the asset and help to rebalance the town centre economy.

26. The asset would be more vulnerable over time as the retail market continued to decline and no strategic impact would be realised from repurposing C. 400k sqft of retail floorspace; and, therefore, addressing the chronic oversupply in retail floor space.

Preferred recommendation: Strategic Investment in Captain Cook Square – Repurpose to Leisure Uses

27. By investing C. £9.1m of awarded FHSF monies in Captain Cook Square the Council can:
- i. Rebalance the town centre economy, making it more sustainable for the future;
 - ii. The funding has been awarded specifically for the purposes set out in the bid and would be recoverable if not used for this explicit purpose;
 - iii. Drive additional footfall into central Middlesbrough, creating benefits for all tenanted businesses;
 - iv. Create a more sustainable retail market by reducing supply (currently there are four shopping centres in the town centre) would positively impact on demand;
 - v. Increase the reputational and visitor appeal for Middlesbrough;
 - vi. Create and sustain new employment opportunities;
 - vii. Create additional appeal in supporting the new urban living market;
 - viii. Repurpose C. 400k sqft of retail floorspace to address oversupply, protect asset values and encourage renewal investment by property owners; and,
 - ix. Inject a new vibrancy and impetus into our town centre economy.

Impact(s) of recommended decision(s)

Legal

28. If Executive approve the preferred option, the Council will need to work to secure legal, and procurement, compliant routes to:
- i) ensure any contribution towards capital fitouts/building works is Subsidy Control Regime (former State Aid) compliant, confers no selective advantage and is consistent with commercial norms. Commercial parity is the main mechanism for ensuring compliance but Counsel advice has been sought to explore the exact model.
 - ii) oversee all lease agreement, debt recovery and contractual issues. The in-house legal team has dedicated representation and is included in the internal asset management working group; and,
 - iii) where legal recourse may be required in relation to the effective management of the asset, Praxis provide initial legal services and advice and, where there is a potential corporate issues, this is also overseen by in-house legal support. In relation to any debt collection which requires legal recourse.

Financial

29. FHSF is conditional upon a funding agreement and associated conditions. The funding is principally capital and is predicated on match funding secured by public sector and private sector sources. Any funding matched to the programme has been committed out of Council existing budgets and already funded through the investment strategy, or external funding and is secured (principally the acquisition costs already settled). Private sector match will be monitored throughout the programme.
30. The internal delivery programme will be monitored through established internal accounting procedures and overseen by the corporate project management framework and governance structures.
31. Where appropriate, staffing costs relating to capital project delivery will be included in project costs at a rate which is proportionate and permissible for the funding terms.

Policy Framework

32. The decision will not conflict with the existing policy framework.

Equality and Diversity

33. An Impact Assessment is not required as the proposals will not have an impact on groups with protected characteristics.

Risk

34. The relevant risks this decision would influence are cited below, with an explanation as to why they are relevant and how it would affect each risk.

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.	The report mentions that there were existing signs of decline pre COVID, this has increased post COVID. Delivery of the proposals within this report will enhance economic growth and prosperity of the town.
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PART A

O1-024	If Middlesbrough's population reduces, with changes in the demographic make-up, then this will impact on the Council's capacity to deliver services, leading to financial pressures, decline in service performance, reduced outcomes for local people and reputational loss.	By providing retail, leisure and residential properties within the town this may have a positive impact on people staying in Middlesbrough which will help skills and talent to be retained.
O1-038	If traffic into certain parts of the town increase, due to successful inward investment, then there could be an increase in traffic management and parking issues.	As per of the redevelopment discussions have commenced with regards to the highway and pedestrian use etc. which support mitigating this risk.
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.	By putting residential properties within the town this will have a positive impact the new housing programme in achieving its targets.
O1-049	If town centre property values continue to decline, a national response may include an overall Business Rates review that would impact upon the Council's financial position unless mitigated.	By bringing a mixture economy in the town so it is not just reliant on retail but includes leisure and residential should help mitigate this risk.
O1-050	A continuing national decline in the retailing environment has the potential to manifest further in Middlesbrough's town centre. The withdrawal of major retail brands has the potential to damage Middlesbrough's local economy in terms of business growth / turnover; employment opportunities for Middlesbrough residents; and, the appeal of Middlesbrough as an investor / visitor attraction.	By moving current retailers into other retail areas of the town and using their current space for leisure facilities will have a positive impact on this risk.
O1-052	Substantial areas of the town have high residential voids/low sales values and high population churn, effectively creating market failure resulting in significant social consequences which in turn have implications for Council resources and service delivery. Such an approach is unsustainable and will result in the need for significant market invention at great cost to the Council.	By repurposing parts of the town for leisure facilities it should have a positive impact on this risk as there are less likely to be void properties in the town.
O8-055	If the Council doesn't respond effectively and efficiently to legislative changes it could be in breach of statutory duties in relation to service delivery and fail to make the most of opportunities.	By undertaking this report the Council is ensuring it is complying with the relevant procurement rules, state aid compliance, delegation of decisions to be made and conditions of funding.
O8-059	If incorrect assumptions are made in the MTFP this will result in a funding gap requiring further savings to be made.	Assumptions have been made about rents, income etc. and these will be factored into the MTFP and should prevent any funding gaps occurring so this should be a positive impact on this risk.
O8-094	If there is an increase in voids within the commercial property portfolio due to economic downturn then this may lead to a loss of commercial rent income resulting in an impact on budgets and vacant properties falling into disrepair.	By repurposing parts of the town for leisure and residential properties this should ensure that income is sustained and properties do not become void.
O8-097	If corporate procurement policies are not adhered to this may lead to the Council not achieving best value for money resulting in the potential for legal challenge, fines, setting aside of contracts which will have an impact on budgets and damaged the Council's reputation.	Procurement rules in relation to financial incentives are being followed which will have a positive impact on the risk.

Actions to be taken to implement the decision(s)

PART A

35. If approved, the Council would proceed with detailed discussion and negotiation with interested parties and with the formulation of a delivery plan, with targets on how the use of the centre will be transformed with available FHSF monies, whilst existing tenants are supported.

Appendices

None

Background papers

Body	Report title	Date
Executive – CONFIDENTIAL Part B	Future High Streets Fund - Acquisition of Town Centre Properties	20 th December 2019

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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of the Local Government Act 1972.

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