

**EXECUTIVE**

A meeting of the Executive was held on Tuesday 7 December 2021.

**PRESENT:** Mayor A Preston (Chair) and Councillors B Cooper, S Hill and M Smiles

**OFFICERS:** R Brown, G Field, A Hoy, T Parkinson, S Reynolds and I Wright

**APOLOGIES FOR ABSENCE:** Councillor E Polano

21/78 **DECLARATIONS OF INTEREST**

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

21/79 **MINUTES - EXECUTIVE - 9 NOVEMBER 2021**

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

21/80 **CORPORATE PERFORMANCE UPDATE: QUARTER TWO 2021/22**

The Mayor and Lead Member for Children's Social Care, Adult Social Care and Public Health and the Chief Executive submitted a report for the Executive's consideration. The purpose of the report was to advise the Executive of corporate performance at the end of Quarter Two 2021/22 and, where appropriate, seek approval of any changes.

The Council's performance overall at the end of Quarter Two had been largely positive, with expected performance standards as set out in the Council's risk appetite being achieved and further improving from the Quarter One reported position in the majority of areas.

In terms of progress in delivering Executive actions, at Quarter Two, 59 of 65 live actions (91%) were reported as on target to be delivered by the agreed timescales, down from the 98% reported at Quarter One, but remaining above the 90% standard of achievement of actions. Four proposed amendments for Executive approval were set out at Appendix 1.

The Strategic Plan for 2021-24, set out nine strategic priorities for the period that were supported by an associated set of outcome measures and a workplan, which planned to see delivery of sustained improvement, up to and beyond 2024.

In terms of outcomes, those were reported at paragraphs 12 to 16 of the submitted report. At the end of Quarter Two, six of 24 Strategic Plan outcomes were either improving or static against the Quarter One position, with three worsening.

In terms of workplan activity, that was reported at paragraphs 17 to 20. At the end of Quarter Two, performance against the Strategic Plan workplan was set out below paragraph 18, exceeding the corporate target of 90%. Whilst there had been no Red / off-track workplan initiatives at the end of Quarter Two, following review at Directorate Dashboard Performance Reviews, the two set out below paragraph 20 of the submitted report were identified as requiring revised dates in order to avoid future slippage.

Issues that impact on the risk profile of the Council were reflected within the Council's Strategic Risk Register (SRR), which was reviewed in the quarter in line with the Council's policy and was set out at Appendix 3. The total number of risks on the SRR reduced to 30 from 35 at Quarter One, comprising 19 high risks and 11 medium risks.

Directorates were accountable for a number of Directorate-specific actions each year to ensure ongoing compliance with legal duties and best practice and that business change was well managed. Directorate Priorities for 2021/22 were set out at Appendix 4. At the end of Quarter Two, 98% of Directorate Priorities were rated either Green or Amber (i.e. some milestone slippage but still expected to be delivered in-year), in line with the expected

standard of 90%. Performance in delivering mitigating actions associated with high or medium risks on Directorate Risk Registers was 94%, above the expected performance standard of 90%.

Progress in delivering programmes and projects was highlighted at paragraph 31 and progress in other corporate performance matters was detailed at paragraphs 32 and 33 of the submitted report.

#### **ORDERED**

- 1. That the proposed amendments to Executive actions, outlined at Appendix 1, be approved.**
- 2. That the progress in implementing the Strategic Plan 2021-24 at Quarter One 2021/22 (Appendix 2) be noted and the revised deadlines for the action at paragraph 20 be approved.**
- 3. That in light of the position outlined in the report, the Council's updated Strategic Risk Register at Appendix 3 be noted.**
- 4. That the progress in implementing 2021/22 Directorate priorities, set out at Appendix 4, be noted.**

#### **REASON**

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

21/81

#### **ANNUAL UPDATE: STANDING ADVISORY COUNCIL ON RELIGIOUS EDUCATION (SACRE)**

The Executive Member for Education and the Director for Education and Partnerships submitted a report for the Executive's consideration. The purpose of the report was to provide information on the work of Middlesbrough's Standing Advisory Council on Religious Education (SACRE).

Local authorities had a duty to establish a SACRE to advise them on matters relating to collective worship in community schools and on religious education. Religious education was a statutory part of the basic curriculum for all pupils.

In respect of Middlesbrough's SACRE, the submitted report included information on:

- the local picture (see paragraphs 6 to 10 of the submitted report);
- membership (see paragraph 11);
- funding (see paragraphs 12 and 13);
- key developments (see paragraphs 14 and 15);
- professional development (see paragraphs 16 and 17); and
- next steps/key areas of development (see paragraphs 18 and 26).

#### **ORDERED**

**That the report, providing an update on progress within Middlesbrough, be noted.**

21/82

#### **VIRTUAL SCHOOL PEER REVIEW**

The Executive Member for Education and the Director of Education and Partnerships submitted a report for the Executive's consideration. The purpose of the report was to advise that Children's Services had commissioned a peer review, from the National Association of Virtual School Heads (NAVSH), as part of the Council's commitment to continuous improvement.

All local authorities were required to have a Virtual School Head in place. A Virtual School was the commonly used term for an individual or team employed by local authorities to support and champion the learning needs of looked after children (CLA) in schools.

A system of peer review had been developed by the National Association of Virtual School Heads (NAVSH) to help Virtual Schools improve and develop. The Council was keen to

regularly access such support to independently assess its position in relation to services provided to support children.

As part of regular engagement with the NAVSH, and in line with the Council's commitment to ensuring the sector-led improvement opportunities provided by the NAVSH were used to their full potential, Children's Services had requested the NAVSH to undertake a peer review of the Virtual School.

The NAVSH planned to assess the Council against four core themes, which were detailed at paragraph 5 of the submitted report.

## **OPTIONS**

**The Council could have chosen not to access the support and undertake an in-house review or commission external specialists to deliver the review. Those options were not recommended because it was healthy to seek external views from external peers, who were experienced in the running of Virtual Schools. Sourcing alternative specialists would have been a significant cost, while the cost for the NAVSH peer review was kept low to only cover the costs of those delivering the review.**

## **ORDERED**

**That the proposed peer review be endorsed.**

## **REASON**

**Utilising the NAVSH resource provided an opportunity to gather views from a range of experienced Virtual School Heads from local authorities in other parts of the country.**

21/83

## **CALCULATION OF COUNCIL TAX BASE FOR 2022/23**

The Executive Member for Environment and Finance & Governance and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to set the council tax base for the financial year 2022/2023 by the statutory deadline of 31 January 2022.

The starting point for the calculation of the 2022/2023 tax base was the number of dwellings on the Valuation List, provided by the Government's Valuation Office. The figures were also adjusted for exempt dwellings and for dwellings subject to disabled reduction.

The number of chargeable dwellings in each band was further adjusted for discounts, exemptions, premiums and council tax support.

The resultant figure (line 1 of Appendix A) was the total equivalent number of dwellings which were then converted using ratios (in line 2) into the number of Band D equivalents (line 3), specified in the 1992 Act. For 2022/2023, the equivalent number of Band D properties was calculated at 36,467.7.

The council tax base was finally determined by multiplying the sum of the Band D equivalents by the Local Authority's estimated collection rate, which had been assumed at 96.6% for 2022/2023. That was the estimate of the percentage of the 2022/2023 Council Tax set which would be collected in total, and not the expected in year collection rate in 2022/2023. The rate used was re-considered each year and the rate of 96.6% used for 2022/2023 remained the same assumed collection rate as that which was used for 2021/2022, to reflect the continuing effects of Covid-19. The resulting council tax base for 2022/2023 for the whole of Middlesbrough (Appendix A) was 35,228, rounded to a whole number.

Since 2013/14, the Council's Housing Growth Strategy had delivered an increase in the council tax base of 5,057 Band D Equivalent properties, an increase of approximately 16.8%. The cumulative effect was approximately £9.1 million and reduced the need to make further annual savings within Council services by that amount.

The regulations also required a council tax base to be calculated for parishes, and similar calculations had been made for the parishes of Nunthorpe (Appendix B) and Stainton &

Thornton (Appendix C). The council tax bases for 2022/2023 were 2,168 and 1,240 respectively, rounded to whole numbers.

The billing authority was required to notify the major precepting authorities (Cleveland Police and Crime Commissioner and Cleveland Fire Authority) of its council tax base within seven days of making the calculation, or no later than 31st January 2022.

### **OPTIONS**

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

### **ORDERED**

1. That the contents of the report be noted.
2. That the council tax base for 2022/2023, as 35,228, be endorsed.
3. That the 2,168 and 1,240, as the council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2022/2023, be endorsed.
4. That the report be presented to Council on 22 December 2021, and that following approval the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils be notified of the 2022/2023 council tax base.

### **REASON**

The recommendations were supported by the following reasons:

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

21/84

### **CORPORATE DEBT WRITE OFF POLICY**

The Executive Member for Environment and Finance & Governance and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to provide information on a new policy that aimed to provide a corporate approach to the writing off of bad and irrecoverable debts in a fair and timely manner, whilst seeking to maximise the opportunity for collection thereby minimising the need for write off.

All service areas were required to follow the policy to allow the Council to operate a consistent approach to debt write off, whilst having due regard to the customer's ability to pay.

Whilst some parts of debt write off were governed by particular legislative requirements such as Council Tax, Business Rates, Adult Social Care Debt, etc, wherever possible the overall principle of debt write off should be efficient and effective, always giving consideration to the financial impact on the Council when debt was written off.

This policy planned to underpin any specific recovery strategies and would be applied across all directorates.

The new policy planned to also support cross directorate communication where a shared customer base existed. It was envisaged that the approach would work within Data Protection legislation, and should be considered at a corporate level to reduce multiple officer engagements across directorates with the same resident and/or business base.

The general principles adopted in the policy were detailed at paragraph 12 of the submitted report. The full Corporate Debt Write Off Policy was included at Appendix A.

### **ORDERED**

1. That the Corporate Debt Write Off Policy be noted and endorsed.
2. That the policy be referred to full Council to amend the Budget Policy

**Framework and the officer scheme of delegation.**

3. That delegated authority be provided to the Section 151 Officer to approve any future modifications to the policy.

**REASON**

The policy planned to allow Middlesbrough Council to provide a comprehensive framework for debt write off which was consistent across service areas / various types of debt. It also established a disciplined approach across the Council for the writing off of those debts that were recoverable.

21/85

**INTERNATIONAL CENTRE - TRANSFER OF FREEHOLD**

The Executive Member for Environment and Finance & Governance and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to present the proposal to transfer the Council's freehold interest of the International Centre to a community organisation.

In 2020, the Council had granted a license for a community interest company, The Other Perspective, to take occupation in the International Centre. Its location was central to assisting the organisation to serve the local community. The community interest company had also previously requested consideration for a community asset transfer of the building.

The International Centre itself was in a very poor state of repair. Currently, the community interest company could only occupy a small number of rooms due to the poor condition within the centre. The rooms in occupation were primarily the main downstairs hall and a small number of offices on the ground floor. The remaining majority of the property had significant issues with water ingress, damp, lack of reliable heating, broken windows, roof leaks, plaster damage amongst other concerns.

A business plan had been submitted by The Other Perspective outlining the initiatives to be delivered from the International Centre, those were supported by the Council and planned to strengthen the community development offer within the town. The initiatives included local participation, and incorporated a series of projects through social enterprise to support the development of employment opportunities, training and enterprise. In order to successfully deliver the vision, the International Centre was integral. It was therefore proposed that, rather than simply regenerate, the Council transfer its freehold interest to allow the community interest company to bid for funding to both regenerate and redevelop the asset to meet the needs of the proposals put forward.

An Asset Disposal Business Case, confirming the status of the subject property as surplus to operational Council requirements, was attached as Appendix B.

**OPTIONS****Re-use for operational purposes**

No Council operational service requirement had been identified. The Council would have required the asset for polling station purposes, however, it had been agreed that fell within the remit of community benefit and the building would be made available to the Council for that purpose.

**Community Asset Transfer on 25 year lease**

That remained a viable option, but not the desirable one. The Community Asset transfer on a long-term lease would not have offered the same attraction to external funders as the transfer of the freehold interest. Upon transfer of the freehold interest the Council would place a covenant on the property which would require that the asset may only be used for community use, which would prevent any further re-sale or redevelopment for profit. In addition, there would be a requirement that if funds were not secured within a three year period for the regeneration of the asset the organisation would be required to transfer it back to the Council.

**Council Complete Repairs and look to offer Commercial let or sale**

The Council would have needed to invest significant resources to bring the property to a lettable standard. The cost schedule for the required repairs was a minimum of £200k, which far exceeded the valuation of the asset. The Council could have marketed the property for sale, however, it was within a prominent part of town which offered significant value to the diverse local community. The Council was committed to locality and place based working, and offering the property on the open market in its current condition would not have fulfilled that commitment to the local communities or make best use of the asset.

#### **Do nothing**

The property would have remained in its present state, and would have continued to deteriorate. The Other Perspective could not have continued to occupy under licence in the building due to its deteriorating condition.

#### **ORDERED**

That the proposal to transfer the Council's freehold interest to a community group - The Other Perspective, who were currently occupying under license, be approved.

#### **REASON**

The Centre's size and facilities plus location provided an excellent opportunity for a range of cultural and community activities for a diverse range of stakeholders to improve health, wellbeing, learning and education.

Community organisations could bid for external funds for asset regeneration to support community activities, those had a higher rate of success if the organisation had the freehold interest in the property. The Council and MVDA planned to support the community organisation to bid for funding to regenerate the asset within a prominent part of the town to deliver against its business plan.

The proposal planned to ensure a community asset, which was currently underused, was brought back into use to support the local community. That would support key objectives of external grant funding:

- to save underused community assets;
- assist in developing community organisations and community businesses;
- empower local communities; and
- strengthen links at place based level - supporting locality working objectives.

**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**