

EXECUTIVE

A meeting of the Executive was held on Tuesday 6 December 2022.

PRESENT: Councillors A Preston (The Mayor) (Chair), TA Grainge, S Hill, L Mason, E Polano, M Smiles and S Walker

PRESENT BY INVITATION: Councillors

ALSO IN ATTENDANCE: J McTigue

OFFICERS: S Bonner, C Benjamin, G Field, R Horniman, A Pain, T Parkinson and E Scollay

APOLOGIES FOR ABSENCE: Councillors B Cooper and D Coupe

22/59 **DECLARATIONS OF INTEREST**

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

22/60 **MINUTES - EXECUTIVE - 8 NOVEMBER 2022**

The minutes of the Executive meeting held on 8 November 2022 were submitted and approved as a correct record.

22/61 **COST OF LIVING CRISIS**

The Mayor and the Chief Executive submitted a report for Executive's consideration.

The purpose of the report was to provide an overview of activity to mitigate, as far as was reasonably possible within the Council's limited resources, the impact of the cost-of-living crisis on residents, businesses and council employees.

This report outlined an overview of the cost-of-living crisis and the impact that this was having on the town, not only those residents living on the lowest incomes but working residents, employees, businesses and business owners.

The report set out the Council's response from a welfare perspective and provided an update on the work undertaken by the Council and its partners to tackle poverty and improve financial inclusion to date.

The report also highlighted the wider economic forces that were exacerbating this crisis.

It was also recognised that responding to the cost-of-living crisis as a town would require effective partnership working. Groups such as the Financial Inclusion Group would be ideally placed to support the Council, as they have similar objectives in so far as ensuring a targeted and appropriate response was provided to those most at risk of poverty.

OPTIONS

The Council could choose to continue to meet statutory obligations in relation to this work but not join up that work to ensure access to support was maximised and support routes simplified for the public, businesses and staff. This option was not recommended as it would miss an opportunity to reduce the impact of the cost-of-living crisis on the town.

AGREED:- That Executive noted the report

REASONS

While the capacity and limited resources of the Council meant it would not be able to fully mitigate the town from the impact of this crisis, it must act decisively if it was to protect as far as possible and ensure the town was as well placed as it could be, within those constraints, to weather those impacts and bounce back.

22/62

CALCULATION OF COUNCIL TAX BASE FOR 2023/24

The Executive Member for Finance and Governance and the Director of Finance submitted a report for Executive's consideration.

The report was part of the process to set the council tax base for the financial year 2023/24 by the statutory deadline of 31 January 2023.

The Council had a legal obligation to calculate a council tax base each financial year. The calculation of the council tax base was a part of the Council's budget strategy which formed part of the Council's Policy Framework, and as such must be agreed by Full Council.

The starting point for the calculation of the 2023/24 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 1) 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 2023/24, the equivalent number of Band D properties was calculated at 36,703.4.

OPTIONS

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

ORDERED That Executive:-

- 1. Noted the contents of the report;**
- 2. Endorsed the council tax base for 2023/24 as 35,749;**
- 3. Endorsed 2,269 and 1,319 as the council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2023/24;**
- 4. Noted that the report was to be presented to Council on 11th January 2023, and that following approval the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils were notified of the 2023/24 council tax base**

REASONS

The recommendations are supported by the following reasons: -

- a) The Local Government Finance Act 1992 required a billing authority to calculate its council tax base for each financial year.**
- b) 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 31st January in the year proceeding the relevant financial year.**

22/63

EXCHANGE HOUSE – DISPOSAL (PART A)

The Executive Member for Finance and Governance and the Director of Finance submitted a report for Executive's consideration.

The purpose of the report was to seek Executive approval to dispose of the Council's freehold interest in Exchange House.

Shown edged on the plan attached at Appendix 1 of the report, Exchange House was a vacant town centre building occupying a visually prominent location at Exchange Square, immediately adjacent to the A66 Trunk Road.

Comprising a Grade II listed brick-built commercial building with 4,553 Sqm [49,014 Sqft] of office accommodation set out over 5 storeys [with basement], the property sat in close proximity to both the town centre and the railway station on a rectangular shaped site measuring @ 0.36 Acres [0.146 Ha].

Incorporating a mix of flat & pitched roof arrangements, the property was constructed in two distinct phases and has been operated over time as two separate elements: firstly, as the former Chamber of Commerce [built @ 1890] and secondly, the Teesside Archives [built @ 1930].

The property was in poor overall condition, having become increasingly dilapidated and required significant refurbishment to bring it up to modern standards – so much so, that the Council did not consider it to be fit for the purpose of delivering operational service requirements.

OPTIONS

Re-use for operational purposes

No Council operational service requirement had been identified.

Other uses.

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

Do nothing

The property would remain in its present dilapidated state.

Whilst the subject property would be retained for potential Council use in the future, the liability and responsibility for maintaining and holding the property would remain with the Council in the interim.

AGREED That Executive:-

- a) **note the information contained within Part A of the report; and**
- b) **take the decision to dispose of the subject property once all the financial or exempt information contained within Part B of the report had been considered.**

REASONS

Disposal, as proposed in the report, would generate a significant capital receipt, increase annually recurring revenue streams and also bring the subject property into far more beneficial use in the future.

Disposal of the property supported delivery of the Council's Medium Term Financial Plan.

22/64

RESIDENTIAL BLOCK CONTRACT - (PART A)

The Deputy Mayor and Executive Director for Children's Services submitted a report for Executive's consideration.

The report sought Executive's agreement to publish a VEAT notice notifying the market of the Council's intention to award a five year, with the option to extend for a further five years, block contract in respect of a new three bedded home opening in Middlesbrough.

Middlesbrough Council had 15 internal residential beds for children and young people offering

across 4 homes:

- | | | | |
|----|------------|---|------------------------------|
| a. | Firtree | - | 4 beds |
| b. | Willowtree | - | 2 beds |
| c. | Hollylodge | - | 4 beds |
| d. | Rosecroft | - | 5 beds (16+ with care needs) |

Middlesbrough Council had a block contract with Cambian Care (TA CareTech) which meant the Council had a contract in place which secured nine beds across three homes at a set bed rate. The contract had been very successful and had been in place for a number of years, originally for four beds in one home in Middlesbrough but over time had expanded and now offered nine beds across one home in Middlesbrough, one in Hartlepool and one in Stockton.

Occupancy levels had generally been good and from April 2022 to September 2022 there had been eight young people accommodated which equated to an 89% occupancy rate.

OPTIONS

Do nothing

If the Council did nothing the current arrangements would continue meaning that spot purchase placements would continue to be sourced out of area at significant cost.

This option was not recommended.

Tender for a block contract

As the provider owned the property and had approached the Council with a block proposal a tender process was not possible.

A tender was an open process that gave all interested providers the opportunity to submit a bid to provide the service the Council wished to procure, on this occasion because the provider owned the property and the service it would be impossible for another provider bid.

This option would not be recommended.

AGREED That Executive:-

- a) note the information contained within Part A of the report; and
- b) take the decision to award the block contract once all the financial or exempt information contained within Part B of the report had been considered.

REASONS

The addition of three block residential beds assisted Middlesbrough Council in meeting its statutory responsibility in relation to sufficiency of placements to meet the needs of children and young people. This increase would mean that, overall, through internal and block resource Middlesbrough Council would have a bed capacity of 27.

Middlesbrough Council's external residential budget is significantly under pressure it is anticipated that funding for this block contract will be achieved from a reduction in spot purchase placements.

Whilst hard to evidence, there were other expected efficiencies from this block arrangement. For example, Social Workers not having to travel or be out of the office for a whole day or more; where young people were placed significantly further away, they could continue within their education setting; where health intervention was in place this would again allow continuation of appointment or service they were accessing and easier to support contact with family, which may have potentially resulted in reunification home.

CONSIDERED.

The Executive Member for Finance and Governance and the Director of Finance tabled an urgent report for Executive's consideration.

Executive heard the report was being tabled due to a change in Executive dates for January. The decision in respect of Minimum Revenue Provision could not reasonably be deferred given the Council's financial position. As such the matter needed to be considered at the 6 December meeting of Executive in order to be considered at Full Council on 18 January 2023.

The Capital Strategy was one of the main elements of the Council's budget approach, alongside the Revenue Budget and the Investment Strategy. Although some high-level metrics on progress were reported as part of the quarterly budget monitoring process, it was good practice to review this information in more detail at Quarter Two.

The report therefore reviewed the position on the Investment Strategy, any changes that had occurred during the year to date, plus any implications for affordability since the original budget was set in February 2022. In addition, the report reviewed the position on treasury management, including borrowing, investments, and debt repayment.

The second aspect of the report considered a change to the Council's current policy on Minimum Revenue Provision which may lead to some cost reduction. This would need consideration by Executive before submission to Council for approval.

OPTIONS

The other decision that could be made was to reject the proposal and remain with the existing MRP policy, charging £5.8m to the revenue budget for debt repayment in 2022/23. This would have meant that the revenue budget overspend would continue at a higher level than if the change in policy was approved, but more indebtedness would be redeemed this financial year.

ORDERED That Executive:-

- 1. Consider the current position on the capital strategy for 2022/23.**
- 2. Endorse the change being proposed on Minimum Revenue Provision and make any comments on this prior to submission to Full Council.**

REASONS

Members should have oversight of, and note, the progress to date against the key elements of the capital strategy and challenge any areas that vary from when the budget was set in February.

The proposed policy change harmonised the Council's policies in respect of debt repayment and ensured a smoothed profile which was more affordable from the current revenue budget.

22/66

EXCLUSION OF PRESS AND PUBLIC

ORDERED that the press and public be excluded from the meeting for the following items on the grounds that, if present, there would be disclosure to them of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

22/67

EXEMPT - EXCHANGE HOUSE - DISPOSAL (PART B)

The Executive Member for Finance and Governance and the Director of Finance submitted a report for 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.

22/68

EXEMPT - RESIDENTIAL BLOCK CONTRACT (PART B)

The Deputy Mayor and Executive Member for Children's Services and the Executive Director of Finance submitted a report for 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 made for the *Capital Strategy Mid-Year 2022-2023 report* will come into force immediately as it was not subject to call-in procedures.

All other decisions 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.