

## EXECUTIVE

<b>Date:</b> Tuesday 6th December, 2022
<b>Time:</b> 1.00 pm
<b>Venue:</b> Mandela Room

## AGENDA

- |    |                                       |        |
|----|---------------------------------------|--------|
| 1. | Apologies for Absence                 | 3 - 4  |
| 2. | Declarations of Interest              | 5 - 6  |
| 3. | Minutes - Executive - 8 November 2022 | 7 - 14 |

### THE MAYOR

- |    |                       |         |
|----|-----------------------|---------|
| 4. | Cost of Living Crisis | 15 - 28 |
|----|-----------------------|---------|

### EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

- |    |   |         |
|----|---|---------|
| 5. | Calculation of Council Tax Base for 2023/24 | 29 - 40 |
| 6. | Exchange House – Disposal (PART A)          | 41 - 50 |

### DEPUTY MAYOR AND EXECUTIVE MEMBER FOR CHILDREN'S SERVICES

- |    |  |         |
|----|--|---------|
| 7. | Residential Block Contract - (PART A)  | 51 - 62 |
| 8. | Any other urgent items which in the opinion of the Chair, may be considered. | 63 - 64 |
| 9. | Exclusion of Press and Public  | 65 - 66 |

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 items 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.

## **EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE**

10. **EXEMPT - Exchange House - Disposal (PART B)** 67 - 76

## **DEPUTY MAYOR AND EXECUTIVE MEMBER FOR CHILDREN'S SERVICES**

11. **EXEMPT - Residential Block Contract (PART B)** 77 - 82

Charlotte Benjamin  
Director of Legal and Governance Services

Town Hall  
Middlesbrough  
Monday 28 November 2022

### **MEMBERSHIP**

Mayor A Preston (Chair) and Councillors B Cooper, D Coupe, TA Grainge, S Hill, L Mason, E Polano, M Smiles and S Walker

### **Assistance in accessing information**

**Should you have any queries on accessing the Agenda and associated information please contact Chris Lunn / Scott Bonner, 01642 729742 / 01642 729708, [chris\\_lunn@middlesbrough.gov.uk](mailto:chris_lunn@middlesbrough.gov.uk) / [scott\\_bonner@middlesbrough.gov.uk](mailto:scott_bonner@middlesbrough.gov.uk)**

**EXECUTIVE**

**Date: 6 December 2022**

**Time: 1.00 p.m.**

**Venue: Mandela Room**

MEMBER	IN ATTENDANCE
Mayor A Preston	
Councillor B Cooper	APOLOGIES
Councillor D Coupe	
Councillor T Grainge	
Councillor S Hill	
Councillor L Mason	
Councillor E Polano	
Councillor M Smiles	
Councillor S Walker	

Present by invitation:

MEMBER	IN ATTENDANCE
Councillor M Saunders Chair of the Overview and Scrutiny Board	

Present as an observer: Members signatures only

NAME	IN ATTENDANCE (please tick)
OFFICER	IN ATTENDANCE (please tick)
M Adams	
C Benjamin	
R Brown	

<b>S Butcher</b>	
<b>G Field</b>	
<b>R Horniman</b>	
<b>T Parkinson</b>	
<b>S Reynolds</b>	
<b>E Scollay</b>	
<b>H Seechurn</b>	

<b>MEMBERS OF THE PUBLIC</b>	<b>IN ATTENDANCE (please tick)</b>

**EXECUTIVE**

**Declarations of Interest**

**Date: 6 December 2022**

**Time: 1.00 p.m.**

**Venue: Mandela Room**

<b>MEMBER</b>	<b>DECLARATIONS OF INTEREST</b>
<b>Mayor A Preston</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>
<b>Councillor B Cooper</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>
<b>Councillor D Coupe</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>
<b>Councillor T Grainge</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>
<b>Councillor S Hill</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>
<b>Councillor L Mason</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>
<b>Councillor E Polano</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>
<b>Councillor M Smiles</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>
<b>Councillor S Walker</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>
<b>MEMBER</b>	<b>IN ATTENDANCE</b>
<b>Councillor M Saunders Chair of the Overview and Scrutiny Board</b>	<b>ANY DECLARATIONS TO BE MADE AT THE MEETING</b>

This page is intentionally left blank

**EXECUTIVE**

A meeting of the Executive was held on Tuesday 8 November 2022.

**PRESENT:** Mayor A Preston (Chair), Councillors B Cooper, D Coupe, TA Grainge, S Hill, L Mason, E Polano, M Smiles and S Walker.

**OFFICERS:** S Bonner, S Butcher, G Cooper, G Field, R Horniman, A Hoy, A Humble, T Parkinson, E Scollay, H Seechurn and A Wilson.

**APOLOGIES FOR ABSENCE:** None.

**22/47 DECLARATIONS OF INTEREST**

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

**22/48 MINUTES - EXECUTIVE - 18 OCTOBER 2022**

The minutes of the Executive meeting held on 18 October 2022 were submitted and approved as a correct record.

**22/49 MEDIUM TERM FINANCIAL PLAN UPDATE AND BUDGET SAVINGS PROPOSALS 2023/24**

The Mayor and Director of Finance submitted a report for Executive's consideration.

The report provided an update of the Council's Medium Term Financial Plan (MTFP) for the period to 2025/26, and the current estimated budget gap for 2023/24. It also set out proposed budget savings and other proposals, and proposed Council Tax increase for 2023/24. The report also noted that, following Council on 30 November 2022, the proposals would be, where required, subject to public consultation.

The report identified that Council approved a Strategic Plan for the period 2021-24 on 24 February 2021, setting out nine strategic priorities for this period in light of Covid-19 and other external factors, following consultation with local communities.

On 30 March 2022, Council was advised that an annual refresh for the Strategic Plan 2021-24 would not be brought forward and as such the current plan would remain in place for the coming financial year.

The "Refreshing the Strategic Plan work plan for the 2022-24 period" report to Executive on 5 April 2022 approved revisions to the Strategic Plan work plan for the 2022-2024 period to demonstrate progress towards and achievement of Council approved Strategic Plan outcomes.

The report also noted that the Council maintained a Medium Term Financial Plan (MTFP) that set out the financial envelope that was necessary to achieve those aims and the savings necessary for living within those financial plans (budget savings). The MTFP:

- accurately analysed the current financial climate and the medium-term horizon, including the range of spending pressures facing the Council;
- addressed the budget savings requirements for the MTFP period; and
- focused on investment on growing the town's economic base to improve local prosperity, and secure a robust and independent income stream to fund the Council's services.

**OPTIONS**

No other options were considered as part of the report.

**ORDERED**

That Executive:

1. Note the updated Medium Term Financial Plan position for 2023/24 to 2025/26, and the potential budget gap of £10m to £20m in 2023/24, with £15m being the mid-case assessment
2. Endorse the following measures to contribute towards the potential budget gap in 2023/24, and noted the report would be presented to Full Council on 30 November, with consultation to commence, where required, on 1 December 2022 and ending on 23 January 2023:
  - the proposed budget savings and other proposals for the 2023/24 budget. These total £14.2m in the full year, of which £5.4m are deemed to potentially affect service delivery levels and will be subject to public consultation (as detailed in Appendix 2)
  - the proposed total Council Tax increase of 2.99% for 2023/24 (comprising of a 1.99% increase in general Council Tax and a 1% Adult Social Care Precept), pending any future Government announcements regarding referendum limits

**REASONS**

The Council had a legal obligation in relation to setting a balanced budget and to meet the challenging financial targets faced in the MTFP. The setting of the budget was part of the policy framework and therefore required Full Council approval.

To enable the Council to meet its statutory responsibility to set a balanced revenue budget in 2023/24 and ensure that a proper framework was in place for the medium term financial management of the Council. This would enable the Council to take a systematic, coherent, and controlled approach to addressing ongoing financial challenges over the medium-term, while attempting to maximise its contribution to the Mayor's priorities for Middlesbrough.

22/50

**CORPORATE PERFORMANCE REPORT - QUARTER TWO - 2022/23**

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

The report advised Executive of corporate performance at the end of Quarter Two 2022/23. It also provided the necessary information to enable Executive to discharge its performance management responsibilities and, where appropriate, sought approval of any changes (where those within the authority of the Executive).

The Council's Scheme of Delegation gave Executive collective responsibility for corporate strategic performance, together with associated action.

The report provided the necessary information to enable Executive to discharge its performance management responsibilities, setting out progress against Executive action, the Strategic Plan and other key associated items, together with actions to be taken to address any issued identified.

**OPTIONS**

There were no other options considered as part of the report.

**ORDERED**

That Executive:

1. Noted progress of delivery of the Strategic Plan 2022-24 at Quarter Two 2022/23, detailed in Appendix 1;
2. Noted the impact of proposed / approved in-year savings as part of the Financial Recovery Plan 2022/23 on the Strategic Plan work plan, detailed in Appendix 2;
3. Noted the Council's updated position in relation to Strategic Risk, at Quarter Two



- 2022/23, with heat maps detailed in Appendix 3; and
4. Noted progress of the 2022/23 Directorate Priorities at Quarter Two 2022/23, detailed in Appendix 4.

## REASONS

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

22/51

## REVENUE AND CAPITAL BUDGET – PROJECTED OUTTURN POSITION AS AT QUARTER TWO - 2022/23

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

The Council's Scheme of Delegation gave the Executive collective responsibility for corporate strategic performance and financial management / monitoring, together with associated action. Standing Orders and Financial Procedures required Executive's approval for major virements between revenue budgets, and in-year changes to the Council's capital Investment Strategy.

The report provided the necessary information to enable Executive to discharge its financial management responsibilities, setting out:

- projected revenue and capital budget year-end outturns as at Quarter Two 2022/23;
- position statements in relation to the Council's borrowing and prudential indicators, and its reserves and provisions; and
- actions that the Council has taken and plans to address the issues raised.

## OPTIONS

No other options were considered as part of the report.

## ORDERED

That Executive:

1. Approve the proposed revenue budget virements over £150,000 as detailed in Appendix 1 of the report; and
2. Approve the revised Investment Strategy to 2024/25 at Appendix 2 of the report.

That Executive Notes:

1. That there was a projected 2022/23 revenue budget year-end outturn as at Quarter Two of a £9.429m overspend.
2. That if the Financial Recovery Plan 2022/23 as approved by Executive on 18 October 2022 was fully implemented, then the forecast overspend can potentially be reduced to approximately £2.1m.
3. The management action being taken to address the shortfall and to improve this position further, wherever possible, in order to mitigate the risk on reserves.
4. The proposed implementation of a Flexible Use of Capital Receipts Strategy for 2022/23 to fund transformation costs, in particular in Children's Services, as approved by Full Council on 7 September 2022.
5. That the current projected outturn and any non-implementation of the approved Financial Recovery Plan 2022/23 would have a negative impact on the Council's current Medium Term Financial Plan, and that the ongoing financial challenges would continue into 2023/24 and future years. The position was being assessed and would be reported in a separate report to this Executive and then to Council as part of the Medium Term Financial Plan Update, and then as part of the budget strategy for 2023/24 to Executive and Council. It was noted there was currently a great deal of uncertainty in forecasting created by the pay award, inflationary pressures, and the

impact on demand for services.

6. The 2022/23 capital budget predicted year-end outturn of £69.241m as at Quarter Two against a revised capital budget of £90.614m

### **REASON**

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

22/52

### **BUSINESS SUPPORT STRATEGY**

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

The report highlighted the opportunity for efficiencies with a scale up (or down) approach according to economic climate and resource availability within the Local Authority. Working with businesses effectively from the outset streamlined processes and avoided duplication of work.

The report also showed how to co-ordinate strategies to support a holistic approach to Residents and Business services, which recognised the nature of their inter dependency.

### **OPTIONS**

No other options were recommended as the approach was in response to directed actions within the Council's Strategic Plan as approved by Executive on 5 April 2022.

### **ORDERED**

That Executive: -

1. Approve the adoption of the Business Support Strategy; and
2. That delegated authority to approve any future revisions/modifications to the strategy be provided to the Head of Resident and Businesses Support and the Director of Regeneration.

### **REASONS**

The strategy actively supported the local economy by providing a co-ordinated business support approach.

Co-ordinated strategies provided the opportunity to deliver a holistic approach to both resident and businesses, recognising the nature of their inter dependence.

The strategy highlighted the opportunity for efficiency measures and a scale up (or down) approach by working with businesses effectively from the outset to streamline processes and avoid duplication of work.

22/53

### **REVISION TO COMMUNITY BENEFIT POLICY ARISING FROM ASSET DISPOSAL POLICY**

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 approval for revision to the Asset Disposal Policy that further clarified the process for claiming community benefit contributions and ensured that expenditure linked to this was limited to local authority direct or procured provision only.

Middlesbrough Council held a significant asset portfolio that was used to deliver services, support businesses and contribute to the well-being of the Town.

The acquisition and disposal of assets was essential to enable the Council to update its asset portfolio to meet the changing needs of Middlesbrough.

The Asset Disposal Policy set out a comprehensive framework and governance structure for the disposal of the Council's land & property assets.

Operation of the Policy ensured that all disposals had clear objectives, decisions were made based on full information and that there was a full audit trail leading to any disposal.

The standing Council Asset Disposal Policy was approved by Executive in April 2021.

In some circumstances, an asset that was disposed of may have attracted a price that was considered to be in excess of open market value, and as such, amendments had previously been made to the Asset Disposal Policy to allow local communities to benefit should such circumstances arise.

### **OPTIONS**

Do nothing - The Asset Disposal Policy would remain unchanged, and any assets disposed of above market value would have a positive impact in terms of an enhanced capital receipt. However, the Council was committed to locality working and the revisions proposed were an opportunity to further stimulate investment at ward level.

### **ORDERED**

That Executive approve revisions to the Asset Policy that:-

1. Further clarified the process for claiming community benefit contributions; and
2. Ensured that expenditure was limited to local authority direct or procured provision only.

### **REASONS**

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

22/54

### **KEY STAGE 4 EDUCATIONAL ATTAINMENT, MIDDLESBROUGH 2022**

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

The report summarised examination data for 2022 for those pupils in Middlesbrough in key stage 4.

The report set out, in detail, information concerning school and pupil performance at the end of key stage 4 and sought to provide the necessary information for the Executive to consider.

The Executive was asked to note the analysis of results, which were presented in the report and to acknowledge support provided to schools.

### **OPTIONS**

No other options were considered as the report was for information only.

### **ORDERED**

That Executive noted the report.

### **REASONS**

No reasons were considered as the report was for information only.

22/55

**SEND SUFFICIENCY**

The Deputy Mayor and Executive Member for Children's Services and the Director of Education and Partnerships submitted a report for Executive's consideration.

The report set out the requirements to provide sufficient places and schools in Middlesbrough to meet the needs of children and young people with Special Educational Needs and Disabilities and sought a decision from Executive for capital programmes to achieve that requirement.

Local authorities had a statutory obligation to ensure that sufficient schools were available for their area to provide primary and secondary education.

The report sought a decision and provided the necessary information to enable the Executive to meet its obligations, setting out:

- Pressures on the High Needs Block of the Dedicated Schools Grant and the causes of those pressures
- Data forecasting the demand for specialist provision and the impact on Special Educational Needs on mainstream settings
- Capital funding allocated by the Department for Education for the purpose of developing High Needs Provision (High Needs Provision Capital Allocation) and the Basic Need Funding Allocation
- The proposed strategy for ensuring sufficiency for Inclusive, Special and Alternative Education in Middlesbrough.

**OPTIONS**

There were no other options considered as part of the report.

**ORDERED**

That Executive approve programmes for investment from High Needs Provision Capital Allocations as set out in the report.

**REASONS**

To enable appropriate growth of SEND Education Provision to meet the Council's statutory duty under Section 14 of the Education Act 1996.

22/56

**APPROVAL OF THE TAXI LICENSING POLICY 2022**

The Executive Member for Adult Social Care, Public Health, Public Protection and Digital Inclusion and the Director of Adult Social Care and Health Integration submitted a report for Executive's consideration.

The purpose of the report was to seek approval for the Taxi Licensing Policy 2022. Each Local Authority was required to set the standards it requires of its hackney carriage and private hire drivers, vehicles and operators by imposing local policies and conditions.

A review of the current policy had been undertaken in line with the new Statutory Taxi and Private Hire Vehicle Standards recommended by the Department of Transport. Those standards were designed to improve consistency in the taxi licensing system across Local Authorities and to reduce the risk of harm to all passengers, particularly focussing on those presented to children and vulnerable passengers.

In addition, several additional changes had been made to the Policy which were requested by the Taxi Trade. These changes related to streamlining the application process, reducing costs and to align the Council's processes with other Local Authorities.

**OPTIONS**

Not to amend the current Taxi Licensing policy as proposed and the existing policy would remain in place - this was not recommended. The Department of Transport 's Statutory

Standards improve consistency in the taxi licensing system across Local Authorities and reduce the risk of harm to all passengers particularly focussing on safeguarding of young people and vulnerable passengers. There was a potential risk of legal challenge and reputational damage to the authority if the standards were not adopted. The additional policy changes proposed by the taxi trade would streamline the application process, reduce costs and align the Council's processes with other local authorities.

### **ORDERED**

That Executive approve the Taxi Licensing Policy 2022.

### **REASONS**

Licensing authorities must reach their own decisions, both on overall policies and on individual licensing matters, in light of the relevant law. However, the Statutory Taxi and Private Hire Vehicle Standards may be drawn upon in any legal challenge to the Council's practice and any failure to adhere to the standards, without sufficient justification, could be detrimental to the authority's defence.

22/57

### **PLANNING AND BUILDING CONTROL FEES**

The Executive Member for Regeneration and the Director for Regeneration and Culture submitted a report for Executive's consideration.

The Planning Service undertook a number of functions which were both statutory and non-statutory in nature. The ability to charge for those services was largely discretionary, in that as an authority the Council could determine if they charged for the service, and non-discretionary for which a charge must be set. For non-discretionary fees those were either set nationally (e.g. planning application fees) or locally (e.g. building regulation fees), those fees were outside the scope of this report. For the other services provided by the Planning Service the Council could charge a fee for doing so. Many of those services, whilst not statutory in their nature, e.g. pre application advice could significantly help with the efficient and effective delivery of the statutory functions and help provide a better customer facing service and experience for the customer.

Discretionary fees should be set to recover costs of delivering the service offered. The fees covered in the report fell into the following categories:

- Pre application advice and guidance;
- Building Control fees;
- Other planning fees.

### **OPTIONS**

Two other options were considered:

1. to continue to provide a free service for those services for which there was no current fee, and maintain existing fees for those services charged at current levels; or
2. to cease providing those services for which no fee was currently set, and for which there was no statutory requirement to deliver.

### **ORDERED**

That Executive:

1. Approve the schedule of fees in Appendix 1 and that the fees come into effect on 1st December 2022;
2. Approve the addition of a new planning officer post (Grade J) within the Development Control Team to assist with dealing with the workload associated with pre application enquiries;
3. Approve the addition of a new Building Control Apprentice post within the Building Control Team to assist with dealing with the workloads associated with dealing with reversion applications;
4. Approve that the fees were monitored and reviewed on an annual basis, and subject to the review all fees were increased annually by CPI + 1% unless otherwise amended; and

5. Approve that all other fees and charges within the Service for which the Council has discretion to set were increased by 10% in accordance with the approved Financial Recovery Plan 2022/23.

**REASONS**

The cost of providing the services listed in the schedule in Appendix 1 and detailed in the report represented a significant use of officer time and represented a significant drain upon the Service's resources. This in turn impacted upon the Service being able to meet and deliver its statutory obligations and maintain required levels of service delivery. It was recognised, however, that many of those services offered whilst discretionary were encouraged to be provided, and in doing so improved the customer experience and the quality of service that the Service provided. Under the Local Government Act 2003 and Planning and Compulsory Purchase Act 2004 the Council had the ability to charge for providing these services.

22/58

**ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.**

None.

<b>MIDDLESBROUGH COUNCIL</b>	
------------------------------	--

<b>Report of:</b>	The Mayor Chief Executive
-------------------	------------------------------

<b>Submitted to:</b>	Executive
----------------------	-----------

<b>Date:</b>	6 December 2022
--------------	-----------------

<b>Title:</b>	Cost-of-living Crisis
---------------	-----------------------

<b>Report for:</b>	Information
--------------------	-------------

<b>Status:</b>	Public
----------------	--------

<b>Strategic priority:</b>	All
----------------------------	-----

<b>Key decision:</b>	Not applicable
----------------------	----------------

<b>Why:</b>	Not applicable
-------------	----------------

<b>Urgent:</b>	No
----------------	----

<b>Why:</b>	Not Applicable
-------------	----------------

<b>Executive summary</b>
--------------------------

The report provides Executive with an overview of the current cost-of-living crisis impacts in Middlesbrough and sets out the Council’s ongoing response to support the town’s residents, businesses and its employees.

The proposed response forms a cost-of-living strategy, pulling together a range of existing services and provision. It sets out how additional funding that has been provided will be utilised to protect the town’s most vulnerable residents and support local business owners to protect the local economy.

It is therefore recommended that the Executive notes the following:

- The Council’s response to the cost-of-living impacts and the Council’s planned response
- The introduction of both a single council approach and a cost-of-living cross directorate/local partnering action plan designed to promote a town-wide approach to responding to the crisis

The implications of the recommendations have been considered by the appropriate officers of the Council and are set out in the main body of the report



## **Purpose**

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

## **Background and relevant information**

2. This report outlines an overview of the cost-of-living crisis and the impact that this is having on the town, not only those residents living on the lowest incomes but working residents, employees, businesses and business owners.
3. The report sets out the Council's response from a welfare perspective and provides an update on the work undertaken by the Council and its partners to tackle poverty and improve financial inclusion to date.
4. The report also highlights the wider economic forces that are exacerbating this crisis.
5. It is also recognised that responding to the cost-of-living crisis as a town will require effective partnership working. Groups such as the Financial Inclusion Group will be ideally placed to support the Council, as they have similar objectives in so far as ensuring a targeted and appropriate response is provided to those most at risk of poverty.

## **The size of the challenge**

6. Although poverty and financial exclusion have been deep-rooted challenges for many years, key factors affecting the current financial climate and wider societal issues have further escalated the situation, leading to what is now being described as a 'cost-of-living crisis'.
7. As previously reported to Members within finance reports, inflation has risen steeply in 2022 due to the impact of the COVID-19 crisis, global supply issues, significant rises in gas and oil prices, and the war in Ukraine. UK inflation was 11.1% in October 2022. Inflation is forecast to continue to rise over this year, with the poorest households hardest hit, as essential goods and services are likely to be most severely affected.
8. A survey by the Financial Conduct Authority, 'Financial lives latest 2022 survey' has identified that in May 2022 12.9 million (24%) UK adults had low financial resilience, compared to 10.7 million in 2020.
9. It also identified that adults living in the most deprived areas of the UK are nearly seven times more likely to be in financial difficulty than those living in the least deprived areas.
10. As Middlesbrough has the highest proportion of neighbourhoods (almost half at 49%) that are in the top 10% of most deprived nationally<sup>1</sup>, it is particularly exposed to this crisis.

---

<sup>1</sup> 2019 Indices of Multiple Deprivation (IMD), published by the Ministry of Housing, Communities and Local Government

11. The same IMD 2019 data release ranked Middlesbrough as the most deprived local authority for income deprivation and third most for employment deprivation. Overall Middlesbrough is ranked as the 5<sup>th</sup> most deprived local authority.

### **The impact of the pandemic**

12. As set out above, Middlesbrough's residents were less resilient and less able to manage an external shock or crisis in comparison to other areas than in previous years, with significantly lower propensity to save and higher likelihood of being in debt due to cost of living inflation on the rise.

13. The onset of the COVID-19 pandemic in 2020 increased pressures on low-income households and the most vulnerable in society, as well as pushing many additional households to experience financial uncertainty and hardship for the first time.

14. Numerous supportive measures were implemented at both national and local levels during the pandemic (e.g., benefit up rates and conditionality easements, furlough, self-employed income support scheme, ban on evictions and various short term-funding initiatives for local authorities), providing temporary relief to many households. However, these measures have or are now coming to an end.

15. This is at the same time as inflation has risen in 2022, causing a double impact on those within the scope of that support.

16. The overall situation is leading to rising numbers of people facing financial hardship and falling into debt, as well as claiming benefits, seeking advice, support and access to food aid, warm spaces and other crisis support services.

17. Despite a significant increase in Central Government Support, the Council's Crisis Support Solution has seen a significant increase. 214 cases were paid in 21/22 against 190 paid in the first half of 22/23 which suggests around a 100% increase in claims.

### **Energy price rise impacts**

18. In April 2022, Ofgem increased the energy price cap by 54%, this affected all households not on a fixed tariff, with a predicted annual rise of £700 based on average usage whether the customer was paying by direct debit, default tariffs or prepayment.

19. The energy cap increased again in October 2022, however in May 2022, further plans were announced to allow the price cap to change every three months, meaning prices could rise even further in the interim.

20. Under normal circumstances, customers facing increases in energy costs would be able to compare prices and/or switch supplier to save money, however in the current market, this is no longer a viable option for many.

21. Government has implemented measures to reduce the impact universally, in particular the additional support provided by the Department for Work and Pensions (DWP) such as cost-of-living payments, disability and pension cost-of-living payments, and the Energy Rebate Payment. While this is helpful, the support only partially

mitigates the impact and while that impact can be absorbed in wealthier households, those in the poorest households are less able to do this.

## **Food**

22. In April 2022, a study by the Food Foundation found 7.3 million adults live in households that said they had gone without food or could not physically get food in the past month, which includes 2.6 million children. This is compared with 4.7 million adults in January and equates to a 57% increase.
23. National statistics show food is the largest item of household expenditure for low-income households after housing, fuel, and power costs. Rises in food prices are more difficult for low-income households to cope with because they must spend a greater proportion of their income on food, leaving less money available to spend elsewhere. In October, ONS data showed that while overall inflation was 11.1%, food inflation rose by 16.2%.
24. The analysis of current provisions identified that demand has continued above pre-pandemic levels, and a significant level of need remains. This is in relation to both emergency provisions such as food parcels, as well as affordable food schemes such as local pantries and social supermarkets.
25. Information gathered over the last three months in Middlesbrough shows a steady increase in requests for food, either because the resident has run out of money, been sanctioned by the DWP or is simply in crisis with no other recourse to additional support. It also suggests an increase in pensioners accessing food support which is a definite shift from earlier findings.

## **Welfare**

26. In February 2020 (pre-pandemic), 11,032 people were claiming Universal Credit in Middlesbrough. By March 2022 this had increased to 19,930. The latest available data shows that in October 2022, this increased to 20,774. It is difficult to attribute the increase to the current economic climate as the DWP are pressing ahead with the plans to migrate claimants onto Universal Credit following a pause to this during the height of the pandemic.
27. A more appropriate measure would be the number of working age residents in receipt of Council Tax Reduction. Following the changes made to the Council Tax Reduction Scheme in April 2022, the number of claimants has increased from 12,377 to 12,698 in November 2022 with further increases anticipated over the coming months.
28. Universal Credit continues to present challenges which have been raised both nationally and by local support organisations and partners, including:
  - Risks for vulnerable claimants and their capacity to access benefits and support
  - The wait period for payment, although claimants can now get an advance following an initial assessment
  - Deduction's policies (including debts and sanctions)
  - The quality of decision-making
  - Immigration-related challenges.

29. As set out previously, the changes and easements to Universal Credit implemented during the pandemic have now ended and despite positive welfare changes announced as part of recent budgets, the changes announced do not fully mitigate the impact of these ending. Recent announcements will mainly benefit a proportion of working Universal Credit households. The Resolution Foundation identified that ‘three quarters of households on Universal Credit would still be worse off because of the removal of the £20 uplift alone despite the reduction in the taper rate and increase to work allowances’.
30. While it is true that a significant amount of additional support has been provided, demand on crisis and food support and other funding sources continues to increase. The ad hoc support provided to date was not designed to respond to the longer-term financial issues and as outlined above, it is possible some residents will be less inclined to budget and instead see the additional support as a short-term improvement to their financial position.
31. The issue of benefits levels not accurately reflecting the cost of living, has been continuously highlighted at both national and local levels.
32. In April 2022, benefit levels were updated by 3.1% below the ONS stated March inflation level of 9.2%.
33. The rate of inflation could result in benefits and state pension increasing by almost 10% in April 2023, however many organisations including Citizens Advice, are calling for this increase to be brought forward, in order to help alleviate the pressure on low-income households in 2022.

### **The Council's response**

34. The cost-of-living response is designed around residents, businesses and employees.
35. Central Government have provided local authorities with funding through various means, more recently through the Household Support Fund. Several initiatives aligned to the Councils' themes (see below) are in place, providing food, warmth and money. Support is assigned to households with children, adults, or residents of pensionable age.
36. Central Government funding is very prescriptive and allocated in accordance with government guidance. The latest round of funding will end in March 2023. Although there is no confirmation that the household support fund will continue beyond March 2023 it is anticipated that further funding will be announced over the coming months.
37. Once funding arrangements end, it is likely that any support will be in line with the Council's Welfare Strategy.
38. The Council has developed a planned approach to ensure people have the support they need across the following themes:
- Food
  - Warmth
  - Money
  - Health

- Transport.

39. A proposed action plan will also ensure that residents and business owners are made aware of Council support and resources that are available. As set out above, this crisis is impacting not only on the most vulnerable in the town, but also on those who have previously managed to pay their bills, including people in full time work.

40. It is also very likely that households who fall on the peripheral of the benefit system will be the hardest hit and as such it is crucial that Council resources are specifically allocated to support this group when sources of funding are distributed.

41. A number of the Council's residents are also Council employees. Promotional campaigns advising of support available will therefore need to be targeted at residents and staff as 70% of lower graded roles are occupied by employees who are a resident of the town.

### **Food**

42. The Council will signpost to existing food support networks provided by the Council and across the Voluntary and Community Sector (VCS) and will also provide financial support for those in crisis who qualify to ensure they can access food. Multiple food initiatives are in place across the town.

### **Warmth**

43. There are a range of schemes in place across the Council and with partners in the wider Public Sector and the VCS that those in need will be supported to access subject to qualifying criteria, including:

- Support to make homes safe and easier to heat
- Access to grants and loans
- Access to blankets and equipment to keep their homes warm
- Warm welcome packs to those in immediate need with access to basic clothing needs
- Access to warm spaces, 11 of which will be giving information on wider support available.

44. There are 11 Council ran/led warm space venues and six other external community venues providing warm spaces. In addition, several schools and care homes have expressed an interest in providing a warm space with numbers increasing daily. Potential funding support has been set aside to encourage other community venues to come forward to ensure a good spread of venues across the town. Promotion of warm spaces, walking distance, location etc will be through the Council's website and communicated through the wider engagement strategy.

45. Warm spaces will at the minimum offer a location to stay warm, with the offer differing between venues but also including hot drinks, food, activities, and or advice. The warm space offering extends to surrounding authorities/partners and is not town specific.

## **Money**

46. In July 2022 Executive approved a Welfare Strategy which sets out the range of support the Council has on offer to support those with financial challenges.
47. The officer working group set up to develop the detail of the Council's response to the cost-of-living crisis has identified opportunities to further expand this strategy to pull in specialist interventions offered by social care colleagues into one pathway to assess support needs. This will include:
- Discretionary housing support
  - Hardship support
  - Debt management
  - Signposting to financial advice and financial support available from other agencies and VSC organisations
  - Assessment against the full range of means tested benefits and funds administered by the Council
  - Support to use digital platforms
  - Practical support sources for those unable to leave their homes.
48. Following Executive approval in November 2022, a range of advice and support will also be offered to local businesses which will include:
- A clear and consistent businesses journey through the local authority
  - An understanding across service areas of the business support available
  - Identification of a business in distress and the support available through the Council's Business Support Solution
  - A single point of contact within the Council to support business access the advice and support
  - Connections with all business networks designed to be far reaching across a wide range and diverse section of the business community
  - Agreed referral mechanisms between service areas
  - Faster approach to identifying gaps across the service areas for the businesses.
49. In addition, a comprehensive solution has also been designed for Council employees. For those employees that live in the town, they will have access to the same support as all residents do.
50. For all employees the Council also provide the following:
- Support through the Employee Assistance Programme which provides both financial and money management advice
  - Staff Benefits – providing staff with the opportunity to buy expensive household items through an interest free repayment plan via a net pay deduction
  - Crisis payment – staff can access an amount of accrued wages in the event of a financial emergency (subject to conditions).

## **Health**

51. There is usually a 19% rise in death rates every year during winter months, many of which are avoidable. This amounts to an average of 27,000 excess winter deaths or

about 1,560 more people per week dying between December and March compared to the rest of the year.

52. The reason more people die in the winter is complicated although very much interlinked to inadequate heating, poorly insulated housing, health inequalities and circulating infectious diseases (particularly flu and norovirus). Excess deaths occur among older people, especially women and those with underlying health problems all of which are likely to be further impacted with the cost-of-living increase.
53. NICE<sup>1</sup> recognises a wide range of individuals are vulnerable to cold. This is either because of a medical condition, a disability that stops people moving around to keep warm or makes them prone to chest infections, or personal circumstances such as being unable to afford to keep warm enough.
54. The Council will focus on raising awareness of available support to keep people warm and work to identify who in the town is most at risk is under way. Through the Council's engagement strategy, information will be circulated via partners and Council staff who are in contact with these vulnerable individuals and groups.
55. The Council and its partners have adopted a MECC (Making Every Contact Count) approach as part of the normal interactions with residents. It is essential that residents are appropriately signposted to health and wellbeing solutions as left unattended, resident needs will likely be exacerbated by the cost-of-living crisis. MECC Awareness Training is available to Council staff, VCS and wider partners. ([www.meccgateway.co.uk/nenc](http://www.meccgateway.co.uk/nenc)).

### **Mental health support**

56. Children and adults living in households in the lowest 20% income bracket in the UK are two to three times more likely to develop mental health problems than those in the highest (Marmot 2010).
57. Poverty increases the risk of mental health problems and can be both a causal factor and a consequence of mental ill-health.
58. Worrying about money can impact on your mental health and living with a mental health condition can make managing money more difficult. The Money and Pension Service has highlighted that people with mental health problems are more likely to say that the cost-of-living crisis has had a negative effect on their mental health.
59. Residents in Middlesbrough have access to a range of services to support their mental health and wellbeing. These services are provided by statutory, voluntary and community organisations that provide a range of specialist and non-specialist advice, support and intervention and are accessible through the MECC Gateway.

### **Transport**

60. Additional Support is also available to help meet the cost of travel for Middlesbrough residents and whilst some of the support is open to all, other support is subject to certain conditions – see below:
  - Bus Fares – potentially open to all residents

- The Government has announced a bus fare cap for single adult fares at £2 per journey from January 23 to March 23. However, it should be noted that this is dependent on operator participation, which is yet to be confirmed
- The Tees Valley didn't receive Bus Service Improvement Plan funding, which means the region is limited on funding support that can be provided to operators, which is often used to subsidise fare offer schemes across travelling areas
- Patient Transport Service (PTS) – subject to conditions
  - A non-emergency service for people who may need special support getting to and from their healthcare appointments
- Railcard – open to all residents
  - Support for all rail journeys
  - Some flash sale promotions e.g., Northern ran its 'Flash Sale' promotion in September/October, when 1,000,000 tickets for journeys on some of its services across the North of England over that period were available for just £1. These sort of promotions are likely to be repeated
  - The Government has pledged to keep annual rail fare increases below the rate of inflation and delay implementation until March 2023 (normally January)
- Universal Credit - subject to conditions
  - Jobcentre Plus travel card
- Bus Passes – subject to conditions
  - State Pension Age or Disabled Persons
- Students can also access free travel to some colleges - subject to conditions.
  - Redcar and Cleveland College
  - Middlesbrough College

### **Communication and Engagement Strategy**

61. Previous work to promote the financial support available to Middlesbrough's residents has demonstrated that even when financial support is on offer, there is lower than expected take up in the most deprived areas. Effective communications will therefore be key to ensuring that those in need of support are made aware of what is available to them and encouraged to access it.
62. The Communication and Engagement Strategy has two separate aims. The Council will directly target the wards and communities we believe are most exposed to the economic situation. At the same time, the Council will also target mass audiences, accepting that not everyone receiving the message will need the support. Instead, the intention is for awareness of the offer to increase via maximum exposure.
63. The Communication and Engagement Strategy design principles are to ensure: -
- The support on offer is in one place on the Council's website
  - Targeted community communications are undertaken using existing networks to reach those most in need
  - Warm space venues are used as an opportunity to understand and assess wider needs of individuals using them



- Council workers based in the community have a guide to enable them to easily signpost residents and businesses they meet accessible via ([www.meccgateway.co.uk/nenc](http://www.meccgateway.co.uk/nenc)).
- Maximum coverage
- Solutions for underrepresented groups.

64. In addition to the above, one single pathway has been designed to ensure that regardless of whether a need is identified by a Council Tax officer or a social worker, its assessed in a way that takes into account the support that exists across the Council and local partners.

65. Furthermore, it is essential that the Council adopt a centralised approach to the cost-of-living crisis. Resident and Business Support will provide that single view through cross directorate/local partnering arrangements ensuring support is provided fairly and consistently across the town. A copy of the Communication and Engagement Strategy for the cost-of-living crisis is appended to this report at Appendix One.

### **What decision(s) are being recommended?**

66. It is therefore recommended that the Executive note the following:

- The Council's response to the cost-of-living impacts and the Council's planned response
- The introduction of both a single council approach and a cost-of-living cross directorate/local partnering action plan designed to promote a town-wide approach to responding to the crisis

### **Rationale for the recommended decision(s)**

67. While the capacity and limited resources of the Council mean it will not be able to fully mitigate the town from the impact of this crisis, it must act decisively if it is to protect as far as possible and ensure the town is as well placed as it can be within its constraints to weather these impacts and bounce back.

### **Other potential decision(s) and why these have not been recommended**

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

### **Impact(s) of the recommended decision(s)**

#### ***Legal***

69. This report outlines how the Council will continue to meet its range of legal duties in relation to the services delivered within this report.

## **Strategic priorities and risks**

70. The report is relevant to all five strategic risks as the impacts from this cost-of-living crisis will be far reaching if no action is taken.

## **Human Rights, Equality and Data Protection**

71. There are no concerns that the proposed action within the report could have disproportionate adverse impact on a group or individuals because they hold one or more protected characteristic. Existing policies and procedures referenced within the strategy have been separately impact assessed where relevant.

## **Financial**

72. Central Government has provided Local Authorities with funding, firstly to support vulnerable household through Covid, then later extending this funding to support the households with the cost-of-living increase. The intention of Central Government is for Local Authorities to design and deliver local schemes based on local knowledge, allocating funds to those households considered vulnerable in line with government guidance. The latest round of funding will end in March 2023 although it is anticipated that further extensions to the scheme will be announced over the coming months.

73. Should Central Government decide to cease with funding arrangements, support will be subject to Council budgeted schemes and in line with the Welfare Strategy and other identified funding opportunities delivered in line with funding expectations/local schemes.

## **Actions to be taken to implement the recommended decision(s)**

Action	Responsible Officer	Deadline
Commence Implementation of the Communication and Engagement Strategy	Janette Savage, Head of Resident and Business Support	30 December 2022

## **Appendices**

1	Communication and Engagement Strategy
---	---------------------------------------

## **Background papers**

Body	Report title	Date
Executive	Welfare Strategy	12 July 2022
Deputy Mayor and Executive Member for Children's Services	Equality and Inclusion report 2019 and 2020	27 July 2021

**Contact:** Shagufta Hussain, Policy Business Partner  
**Email:** Shagufta\_hussain@middlesbrough.gov.uk

## **Appendix 1 - Middlesbrough Council cost of living communication and engagement plan**

**November 2022**

### Summary

The Council and its partners offer a wide range of support and advice for people contending with the increasing cost of living. An engagement plan is needed to ensure those most in need know what help they can access.

### Challenge

In the recent past the Council has struggled to make direct payments to those entitled to support. Using the example of the Council Tax Energy Rebate, thousands of people didn't apply to have the payment transferred to their bank account. In these instances the payments, as per government guidance, were instead applied to council tax accounts.

Some of the most deprived wards in the town had the lowest uptakes. This highlights the challenges of engaging with certain communities.

### Approach

This engagement plan has two separate aims:

1. The Council will directly target the wards and communities that are most exposed to the economic situation
2. The Council will also target mass audiences, seeking maximum exposure with the intention of creating as much awareness as possible.

### Audiences

- All Middlesbrough residents
- Residents living in target wards and communities
- Middlesbrough Council staff (for their own use and for signposting purposes)
- Members
- Businesses

### Channels

#### **Website**

The cost of living section on Middlesbrough.gov.uk will be the main source of information. Promotional materials will signpost people there and to dedicated phone lines within the Council's resident and business support service.

Frontline staff will also be advised to use the website information as a resource when interacting with members of the public.

The website will have information on the main themes of **food, warmth, money, health and transport**. It will also be categorised by **household composites** so people can access the information relevant to their circumstances.

## **Other channels**

- Traditional media
- Social media featuring short series of videos/fact sheets/links to website content
- Dedicated e-newsletter/s to c.35,000 email addresses
- Print material to target wards and for staff
- Poster and other outdoor sites in targeted locations
- Internal communications to Council staff and potentially to staff in large partner organisations via a communications toolkit.

## Key messages

- Help is out there and our biggest fear is people aren't coming forward
- We've struggled to give people money they were entitled to
- We need people to help us spread the message
- Visit this website/phone this number to find out how we can help you.

## Evaluation

Visits to the website will be compared to numbers before the reorganisation/increased promotion.

Levels of referrals/applications for help can also be assessed.

<b>MIDDLESBROUGH COUNCIL</b>	
------------------------------	---

<b>Report of:</b>	Executive Member for Finance and Governance Director of Finance
-------------------	--

<b>Submitted to:</b>	Executive
----------------------	-----------

<b>Date:</b>	6 December 2022
--------------	-----------------

<b>Title:</b>	Calculation of Council Tax Base for 2023/24
---------------	---

<b>Report for:</b>	Decision
--------------------	----------

<b>Status:</b>	Public
----------------	--------

<b>Strategic priority:</b>	All
----------------------------	-----

<b>Key decision:</b>	Yes
----------------------	-----

<b>Why:</b>	Decision(s) will incur expenditure or savings above £150,000 and have a significant impact in two or more wards
-------------	---

<b>Urgent:</b>	No
----------------	----

<b>Why:</b>	Not Applicable
-------------	----------------

<b>Executive summary</b>	
<p>The Council has a legal obligation to calculate a council tax base each financial year. The calculation of the council tax base is a part of the Council's budget strategy which forms part of the Council's Policy Framework, and as such must be agreed by Full Council. This report is part of the process to set the council tax base for the financial year 2023/24 by the statutory deadline of 31 January 2023.</p> <p>The report requests that the Executive:</p> <ul style="list-style-type: none"> <li>• Notes the contents of the report</li> <li>• Endorses the council tax base for 2023/24 as <b>35,749</b></li> <li>• Endorses <b>2,269</b> and <b>1,319</b> as the council tax bases for the parishes of Nunthorpe and Stainton &amp; Thornton respectively for 2023/24</li> </ul>	

- Notes that the report is presented to Council on 18th January 2023, and that following approval the Police and Crime Commissioner, the Cleveland Fire Authority, and the Parish Councils are notified of the 2023/24 council tax base

## Purpose

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

## Background and relevant information

2. The Council has a legal obligation to calculate a council tax base each financial year. The calculation of the council tax base is a part of the Council's budget strategy which forms part of the Council's Policy Framework, and as such must be agreed by Full Council.
3. The starting point for the calculation of the 2023/24 tax base is the number of dwellings on the Valuation List, provided by the Government's Valuation Office. The figures are also adjusted for exempt dwellings and for dwellings subject to disabled reduction.
4. The number of chargeable dwellings in each band is further adjusted for discounts, exemptions, premiums, and council tax support.
5. The resultant figure (line 1 of Appendix 1) is the total equivalent number of dwellings which are 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 is calculated at **36,703.4**.
6. The council tax base is finally determined by multiplying the sum of the Band D equivalents by the Authority's estimated collection rate, which has been assumed at 97.4% for 2023/24. This is the estimate of the percentage of the 2023/24 Council Tax set which will be collected in total, and not the expected in-year collection rate in 2023/24. The rate used is re-considered each year and the rate of 97.4% used for 2023/24 is higher than the 96.6% which was used for 2022/23. The collection rate used in 2020/21 was 97.4% but this was reduced to 96.6% for 2021/22 and 2022/23 due to the effects of Covid-19, and as Covid-19 has now largely ended the assumed estimated collection rate has been reverted back to that which was applied pre-Covid-19. The resulting council tax base for 2023/24 for the whole of Middlesbrough (Appendix 1) is **35,749**, rounded to a whole number.
7. Since 2013/14 the Council's Housing Growth Strategy has delivered an increase in the Council Tax Base of 5,578 Band D Equivalent properties, an increase in Middlesbrough Council's Tax Base of approximately 19%. The cumulative effect is approximately £10.4 million and reduces the need to make further annual savings within Council services by this amount.
8. The regulations also require a council tax base to be calculated for parishes, and similar calculations have been made for the parishes of Nunthorpe (Appendix 2) and Stainton & Thornton (Appendix 3). The council tax bases for 2023/24 are **2,269** and **1,319** respectively, rounded to whole numbers.
9. The billing authority must 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 2023.

## **What decision(s) are being recommended?**

The report requests that the Executive:

- Notes the contents of the report
- Endorses the council tax base for 2023/24 as **35,749**
- Endorses **2,269** and **1,319** as the council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2023/24
- Notes that the report is presented to Council on 11th January 2023, and that following approval the Police and Crime Commissioner, the Cleveland Fire Authority, and the Parish Councils are notified of the 2023/24 council tax base

## **Rationale for the recommended decision(s)**

10. The recommendations are supported by the following reasons: -

- a) The Local Government Finance Act 1992 requires a billing authority to calculate its council tax base for each financial year.
- b) The method of calculation is specified in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, which requires the calculation to be approved before 31<sup>st</sup> January in the year proceeding the relevant financial year.

## **Other potential decision(s) and why these have not been recommended**

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

## **Impact(s) of the recommended decision(s)**

### ***Legal***

12. It is a statutory requirement under the Local Government Finance Act 1992 for billing authorities to calculate a council tax base.

### ***Strategic priorities and risks***

13. The calculation of the council tax base is a part of the Council's budget strategy which forms part of the Council's Policy Framework, and as such must be agreed by Full Council.

14. The report ensures that the Council's meets its statutory duty to calculate a council tax base for each financial year.



## **Human Rights, Equality and Data Protection**

15. Not applicable to this report.

## **Financial**

16. A comparison with the 2022/23 council tax base is summarised in the table below:

	2022/23	2023/24	% Increase / (Decrease)
Total Number of Dwellings after Discounts	44,151.7	44,200.6	0.1
Band D Equivalent	36,467.7	36,703.4	0.6
Council Tax Base	35,228	35,749	1.5

17. The table above demonstrates that there is a net increase of 49 (0.1%) in the actual number of dwellings after discounts for council tax base purposes. This is a result of new house building over the period. The net increase in the council tax base from 2022/23 is 521 (1.5%) band D equivalent properties, assuming the collection rate of 97.4% for 2023/24. The growth in the council tax base is estimated to have reduced the need for budget reductions by approximately £943,000 in 2023/24 and on an ongoing basis, based on the 2022/23 Basic Council Tax.

## **Actions to be taken to implement the recommended decision(s)**

Action	Responsible Officer	Deadline
Following consideration and expected approval by Council on 18 <sup>th</sup> January 2023, the Police and Crime Commissioner, the Cleveland Fire Authority, and the Parish Councils will be notified of the 2023/24 council tax base before the statutory deadline of 31 January 2023.	Head of Financial Planning & Support	31 January 2023

## **Appendices**

1	Calculation of the 2023/24 Council Tax Base for Middlesbrough area (including parishes)
2	Calculation of the 2023/24 Council Tax Base for Nunthorpe Parish Council (included at Appendix 1)
3	Calculation of the 2023/24 Council Tax Base for Stainton & Thornton Parish Council (included at Appendix 1)

## **Background papers**

None

**Contact:** Andrew Humble, Head of Financial Planning & Support  
(Deputy S151 Officer)

**Email:** [andrew\\_humble@middlesbrough.gov.uk](mailto:andrew_humble@middlesbrough.gov.uk)

**CALCULATION OF THE 2023/24 COUNCIL TAX BASE FOR MIDDLESBROUGH AREA  
(INCLUDING PARISHES)**

	COUNCIL TAX BAND									
	A (with disabled relief)	A	B	C	D	E	F	G	H	TOTAL
		£0-£40,000	£40,001-£52,000	£52,001-£68,000	£68,001-£88,000	£88,001-£120,000	£120,001-£160,000	£160,001-£320,000	£320,001 and over	
Total number of dwellings after discounts	24.4	17,938.1	8,147.7	9,276.2	4,886.3	2,453.6	918.4	524.9	31.0	44,200.6
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of band D equivalents	13.6	11,958.7	6,337.1	8,245.5	4,886.3	2,998.8	1,326.6	874.8	62.0	36,703.4

Assumed collection rate of 97.4%

0.974

Council tax base for 2023/24 (rounded to a whole number)

**35,749**

This page is intentionally left blank

**CALCULATION OF 2023/24 COUNCIL TAX BASE FOR NUNTHORPE PARISH COUNCIL  
(INCLUDED AT APPENDIX A)**

	COUNCIL TAX BAND									
	A (with disabled relief)	A	B	C	D	E	F	G	H	TOTAL
		£0-£40,000	£40,001-£52,000	£52,001-£68,000	£68,001-£88,000	£88,001-£120,000	£120,001-£160,000	£160,001-£320,000	£320,001 and over	
Total number of dwellings after discounts	0.0	10.7	74.3	347.7	716.4	327.6	211.3	306.9	11.0	2,005.9
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of band D equivalents	0.0	7.1	57.8	309.1	716.4	400.3	305.2	511.6	22.0	2,329.5

Assumed collection rate of 97.4%

0.974

Council tax base for 2023/24 (rounded to a whole number)

**2,269**

This page is intentionally left blank

APPENDIX 3

CALCULATION OF 2023/24 COUNCIL TAX BASE FOR STAINTON & THORNTON PARISH COUNCIL  
(INCLUDED AT APPENDIX A)

	COUNCIL TAX BAND									
	A (with disabled relief)	A	B	C	D	E	F	G	H	TOTAL
		£0-£40,000	£40,001-£52,000	£52,001-£68,000	£68,001-£88,000	£88,001-£120,000	£120,001-£160,000	£160,001-£320,000	£320,001 and over	
Total number of dwellings after discounts	0.0	21.9	99.7	369.7	396.5	235.4	119.5	44.6	1.0	1,288.3
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of band D equivalents	0.0	14.6	77.5	328.6	396.5	287.7	172.6	74.3	2.0	1,353.8

Assumed collection rate of 97.4%

0.974

Council tax base for 2023/24 (rounded to a whole number)

**1,319**

This page is intentionally left blank



<b>MIDDLESBROUGH COUNCIL</b>	
------------------------------	--

<b>Report of:</b>	Executive Member for Finance and Governance Director of Finance
<b>Submitted to:</b>	Executive
<b>Date:</b>	6 December 2022
<b>Title:</b>	Exchange House – Disposal (PART A)
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Strategic priority:</b>	Physical environment
<b>Key decision:</b>	Yes
<b>Why:</b>	Decision(s) will incur expenditure or savings above £150,000
<b>Urgent:</b>	No
<b>Why:</b>	Not Applicable

<b>Executive summary</b>	
<p>The report seeks an Executive decision to dispose of the Council’s freehold interest in Exchange House.</p> <p>The proposal to dispose of the subject property accords with the Council’s requirements to generate capital receipts, increase annually recurring revenue streams and assist with the regeneration and delivery of Council planned enhancements to the town centre.</p> <p>The decision being sought to dispose is a key decision with the value of the surplus asset exceeding the £150,000 threshold.</p>	

## **Purpose**

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

## **Background & relevant information**

2. Shown edged on the plan attached at Appendix 1 of this report, Exchange House is a vacant town centre building occupying a visually prominent location at Exchange Square, immediately adjacent the A66 Trunk Road.
3. 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 sits in close proximity to both the town centre and the railway station on a rectangular shaped site measuring @ 0.36 Acres [0.146 Ha].
4. 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].
5. The property is in poor overall condition, having become increasingly dilapidated and requiring significant refurbishment to bring it up to modern standards – so much so, that the Council does not now consider it to be fit for the purpose of delivering operational service requirements.
6. In accordance with the strategy objectives set out and approved by the Council as part of the decision to front fund the relocation of the Teesside Archives, operational service users have been vacated and the property has been cleared.
7. The property was subsequently declared surplus by the Council and programmed for disposal during the current financial year.
8. Following the receipt of an unsolicited approach from an interested third-party seeking to acquire the property to facilitate a town centre based regeneration scheme, the Council entered into private treaty discussions and has negotiated terms upon which it is prepared to recommend disposing of the property.
9. As a result of a past relocation from elsewhere within the Council's Estate Portfolio, a third-party leaseholder does currently remain in part occupation of the building. With the agreement of the Buyer, the Council intends to leave the subject occupier in situ through the process of disposal and transfer away the respective legal interest undisturbed.
10. The property is situated in the Central Ward and the respective Ward Members have been consulted
11. An Asset Disposal Business Case confirming the status of Exchange House as being surplus to operational Council service requirements is attached as Appendix 3 to Part B of this report.

## **What decision(s) are being recommended?**

12. That Executive be asked to:

- 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 has been considered.

## **Rationale for the recommended decision(s)**

13. Disposal as proposed 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.

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

## **Other potential decision(s) and why these have not been recommended**

### ***Re-use for operational purposes***

15. No Council operational service requirement has been identified.

### ***Other uses***

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

### ***Do nothing***

17. The property would remain in its present dilapidated state.

18. 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.

## **Impact(s) of the recommended decision(s)**

### ***Legal***

19. No specific legal issues have been created as a result of the proposal.

20. The subject property would be disposed of freehold with part vacant possession in accordance with standing disposal protocol.

### ***Strategic priorities and risks***

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

22. The proposal to dispose of the property aligns with strategic objectives to facilitate third party funded town centre regeneration and contribute positively towards the vision for Middlesbrough – creating employment opportunities, driving enterprise and generating economic activity within the Borough.

23. Due to the impact of ongoing national economic, political and health issues on the local property market, the likelihood of the Council being able to identify an alternate buyer prepared to proceed on similar terms, exchange contracts and complete the matter legally during the current financial year is questionable.

**Human rights, equality and data protection**

24. There will be no negative, differential impact on protected groups and communities.

25. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report attached at Appendix 2. The impact assessment has identified that the proposal would have a positive impact on the local community and does not represent any concern to equal rights, disability discrimination or the impingement of individual human rights.

26. The Council’s development control planning process would also serve to ensure that any future use proposed would be appropriate for the local area

27. The proposed decision does not involve the collation and use of personal data.

**Financial**

28. The Council would receive a capital receipt plus fees without the need to incur any further marketing costs.

29. The disposal of the subject property would remove the Council’s liability for any future maintenance, security or other holding costs while it remains unused.

**Actions to be taken to implement the recommended decision(s)**

Action	Responsible Officer	Deadline
Subject Executive approval, the Council moves to proceed with disposal of the property as detailed within Part B of this report.	Valuation & Estates Manager	January 2023

**Appendices**

1	Site Plan
2	Impact Assessment Level 1 – Initial Screening Assessment

**Background papers**

The following background papers were used in the preparation of this report:

Body	Report title	Date
N/A	N/A	N/A

**Contact: David Velemir, Valuation & Estates Manager**

**Email: [david\\_velemir@middlesbrough.gov.uk](mailto:david_velemir@middlesbrough.gov.uk)**

Site Plan



Ordnance Survey data © Crown copyright and database right 2022. OS 100030994.

Page 45

	 <p>© Crown Copyright and database rights 2019 Ordnance Survey LA10023413</p>	<p><b>Exchange House</b> <b>Exchange Square</b> <b>Middlesbrough</b></p>	<p>Scale : 1:500</p> <p>Date : 22.07.2022</p> <p>Drawn : E.S</p> <p>Drg No : VAL 6192</p>
--	---	--	---

This page is intentionally left blank

## Impact Assessment Level 1 – Initial Screening Assessment

<b>Subject of assessment:</b>	Disposal of the Council's freehold interest in Exchange House, Exchange Square, Middlesbrough TS1 1DB			
<b>Coverage:</b>	Service specific			
<b>This is a decision relating to:</b>	<input type="checkbox"/> <b>Strategy</b>	<input type="checkbox"/> <b>Policy</b>	<input type="checkbox"/> <b>Service</b>	<input type="checkbox"/> <b>Function</b>
	<input type="checkbox"/> <b>Process/procedure</b>	<input type="checkbox"/> <b>Programme</b>	<input type="checkbox"/> <b>Project</b>	<input type="checkbox"/> <b>Review</b>
	<input type="checkbox"/> <b>Organisational change</b>	<input checked="" type="checkbox"/> <b>Other (please state)</b> Asset management		
<b>It is a:</b>	<b>New approach:</b>	<input checked="" type="checkbox"/>	<b>Revision of an existing approach:</b>	<input type="checkbox"/>
<b>It is driven by:</b>	<b>Legislation:</b>	<input type="checkbox"/>	<b>Local or corporate requirements:</b>	<input checked="" type="checkbox"/>
<b>Description:</b>	<p><b>Key aims, objectives and activities</b> To assess the impact of the proposal to dispose of Council property deemed to be surplus to operational requirements.</p> <p><b>Statutory drivers (set out exact reference)</b> The Local Government Act 1972 Section 123, as amended by the Local Government Planning &amp; Land Act 1980 Section 118 Schedule 23 Part V.</p> <p><b>Differences from any previous approach</b> The subject property has been declared surplus and there are no Council staff, or services that will be affected by the disposal proposed. Future use will be for the purposes of commercial use in accordance with the existing planning use classification of the property.</p> <p><b>Key stakeholders and intended beneficiaries (internal and external as appropriate)</b> The Council, buyer and the local community.</p> <p><b>Intended outcomes</b> The proposed disposal of the subject property would:</p> <ul style="list-style-type: none"> <li>• generate a significant capital receipt for the Council, and create new jobs within the Borough;</li> <li>• remove the Council's liability for future holding costs, responsibility for, and maintenance of the property, and</li> <li>• help stimulate further economic activity in the local area, and bring the subject property back into a more positive future use.</li> </ul>			
<b>Live date:</b>	Tuesday 06 <sup>th</sup> December 2022			
<b>Lifespan:</b>	Not applicable.			
<b>Date of next review:</b>	Not applicable.			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p><b>Human Rights</b></p> <p>Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>It is considered that the disposal of the subject property will not impact negatively on individual human rights. The proposal represents a significant and positive enhancement for both the locality and the wider area, far outweighing the transfer of the property from the Council's Estate holding. This assessment has been made taking into account:</p> <ul style="list-style-type: none"> <li>the fact that the property is surplus, and that no Council staff or services will be affected by the proposed disposal;</li> <li>the occupation of the third party leaseholder will be protected accordingly – left undisturbed, and transferred in situ;</li> <li>the new jobs that future re-use of the property will create, and</li> <li>the potential of the proposal to stimulate further economic development within the borough.</li> </ul>
<p><b>Equality</b></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>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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"> <li>eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;</li> <li>advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and</li> <li>foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li> </ol> <p>Consideration of this duty has shaped the proposals.</p> <p>The property is surplus and fulfils no specific function, purpose or service. In accordance with this position, access to and delivery of Council services will not be affected by the proposed disposal.</p> <p>It is considered that the proposal will not have a disproportionate adverse impact on a group, or individuals, because they hold a protected characteristic.</p> <p>Evidence used to inform this assessment includes engagement to date with relevant Council departmental teams and the proposed purchaser, together with analysis of the terms and conditions that will be incorporated within the proposed sale.</p>

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



<p><b>Community Cohesion</b></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>Evidence used to inform this impact assessment includes the potential for bringing this property back into a far more beneficial future use than that being provided under the current ownership and management arrangement.</p>
<p><b>Sustainable Community Strategy Objectives</b></p> <p>Could the decision impact negatively on the achievement of the vision for Middlesbrough?* Does this decision impact on the statutory duties associated with these key objectives?*</p>	☒	☐	☐	<p>The proposed disposal will facilitate third party funded town centre regeneration and contribute positively towards the vision for Middlesbrough – creating employment opportunities, driving enterprise and generating economic activity within the Borough.</p> <p>In consideration of these outcomes, the proposal does not impact negatively upon the Council's sustainable community strategy objectives.</p> <p>This assessment has been made taking into account the new jobs that will be created in the Borough by bringing the subject property back into a far more beneficial future use.</p>
<p><b>Organisational Management / Transformation</b></p> <p>Could the decision impact negatively on organisational management or the transformation of the Council's services as set out in its Transformation Programme?*</p>	☒	☐	☐	<p>No tangible relationship between the disposal of the property and the organisational management of the Council, or the transformation of its services (as set out in its Transformation Programme), have been identified.</p>
<p><b>Next steps:</b></p> <ul style="list-style-type: none"> <li>➡ If the answer to all of the above screening questions is No then the process is completed.</li> <li>➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.</li> </ul>				

<b>Assessment completed by:</b>	David Velemir	<b>Head of Service:</b>	Louise Grabham
<b>Date:</b>	10/11/2022	<b>Date:</b>	01/11/2022

This page is intentionally left blank

<b>MIDDLESBROUGH COUNCIL</b>	
------------------------------	--

<b>Report of:</b>	Director of Children’s Services Deputy Mayor and Executive Member for Children’s Services
-------------------	--

<b>Submitted to:</b>	Executive
----------------------	-----------

<b>Date:</b>	6 December 2022
--------------	-----------------

<b>Title:</b>	Residential Block Contract (PART A)
---------------	-------------------------------------

<b>Report for:</b>	Decision
--------------------	----------

<b>Status:</b>	Public
----------------	--------

<b>Strategic priority:</b>	Children and young people
----------------------------	---------------------------

<b>Key decision:</b>	Yes
----------------------	-----

<b>Why:</b>	Decision(s) will incur expenditure or savings above £150,000 and have a significant impact in two or more wards
-------------	---

<b>Urgent:</b>	No
----------------	----

<b>Why:</b>	Not Applicable
-------------	----------------

**Executive summary**

To seek Executive agreement to publish a Voluntary Ex Ante Transparency (VEAT) notice in order to notify the market of our intention to award a block contract in respect of a 3 bedded home opening in Middlesbrough.

Middlesbrough Council on 7<sup>th</sup> November had 46 externally commissioned children’s residential placements which are outside of Middlesbrough and high cost. A new provider is proposing to open a new 3 bedded home in Middlesbrough and through negotiations we have been able to secure a value for money block contract proposal which will ensure children and young people remain in Middlesbrough retaining contact with family, maintaining their educational provision and provide a provision at a reduced unit cost when compared with out of area settings.

## Purpose

1. To seek Executive agreement to publish a VEAT notice notifying the market of our intention to award a 5 year, with the option to extend for a further 5 years, block contract in respect of a new 3 bedded home opening in Middlesbrough.

## Background and relevant information

2. Middlesbrough Council has 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)
3. Middlesbrough Council has a block contract with Cambian Care (TA CareTech) which means that we have a contract in place which secures 9 beds across 3 homes at a set bed rate. This contract has been very successful and has been in place for a number of years, originally for 4 beds in 1 home in Middlesbrough but over time has expanded and now offers 9 beds across 1 home in Middlesbrough, 1 in Hartlepool and 1 in Stockton.
4. Occupancy levels have generally been good and from April 22 to September 22 there have been 8 young people accommodated which equates to an 89% occupancy rate.
5. With those 24 beds there are still 46 externally commissioned placements as at 7<sup>th</sup> November 2022, which fall into the following categories:
  - a. Residential - 16
  - b. Residential School - 7
  - c. Unregulated - 23
6. The expected annual outturn for Middlesbrough Council on externally commissioned placements is in excess of £13million against a budget of £9million, which is not sustainable. Many other local authorities regionally and nationally are experiencing significant pressures in external placement budgets as costs are rising in the market.
7. A provider has recently purchased a property, obtained planning permission and is now progressing registration with Ofsted of a 3 bedded home in Middlesbrough and has approached us to discuss a block contract proposal.
8. The provider is known to us and we have current spot purchase placements with them and are confident about the level of care delivered.
9. Through negotiation we believe we have secured a block contract proposal for the 3 beds that is beneficial to Middlesbrough Council both in relation to increasing local sufficiency numbers but also offering value for money compared to current spot purchasing.
10. The proposal is for Middlesbrough Council to enter into a block contract for an initial term of 5 year contract, with an option to extend for a further 5 years for the 3 beds.

11. The ability to increase local beds will assist in meeting our statutory responsibility in relation to sufficiency as well as ensuring that we continue to care for our children and young people within Middlesbrough.
12. The contract value will exceed the Public Contract Regulations 2015 (PCR) threshold and in order to award a contract a VEAT notice will be published. Once published the market has 30 days in order to notify us of any challenge, if no challenge is received then the award can proceed and if a challenge is received then we can review it and can choose to proceed or not depending on our legal review and the risk associated.
13. An equitable process was followed in awarding similar contracts. Given the current state of the market, spot contracts are still likely and therefore the likelihood of challenge is expected to be low.

### **What decision(s) are being recommended?**

That the Executive:

- Agree to publish a VEAT notice of our intention to award a 5 year block contract for the provision of children's residential care, which will include an option to extend for a further 5 years and in the event of no challenges being received a formal contract will be awarded.

### **Rationale for the recommended decision(s)**

14. The addition of 3 block residential beds assists Middlesbrough Council in meeting its statutory responsibility in relation to sufficiency of placements to meet the needs of children and young people. This increase will mean that overall through internal and block resource Middlesbrough Council will have a bed capacity of 27.
15. 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.
16. Whilst hard to evidence, there are 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 are placed significantly further away, they can continue within their education setting, where health intervention is in place this will again allow continuation of appointment or service they are accessing and easier to support contact with family, which may potentially result in reunification home.

### **Other potential decision(s) and why these have not been recommended**

#### **DO NOTHING**

17. If we did nothing then current arrangements would continue meaning that spot purchase placements would continue to be sourced out of area at significant cost.
18. In light of the above this option would not be recommended.

## **TENDER FOR A BLOCK CONTRACT**

19. As the provider owns the property and has approached the Council with a block proposal a tender process would not be possible.
20. A tender is an open process that gives all interested providers the opportunity to submit a bid to provide the service the Council wishes to procure, on this occasion because the provider owns the property and the service it would be impossible for another provider bid.
21. In light of the above this option would not be recommended.

## **COMMISSIONING VIA THE TEES VALLEY RESIDENTIAL FRAMEWORK**

22. The Tees Valley Residential Framework provides spot purchase children's residential beds to all five Tees Valley Councils.
23. The Provider would not be able to offer these beds via the Tees Valley Residential Framework because of the specification set against it. Providers put forward their homes and offer individual beds to all framework members at an agreed rate set as part of the tendering process.
24. As this proposal is exclusive to Middlesbrough Council for all 3 beds then this would not meet the requirements of the framework and any bid submitted would have to be rejected on that basis.
25. In light of the above this option would not be recommended.

### **Impact(s) of the recommended decision(s)**

#### ***Legal***

26. The VEAT process is a compliant process in line with the PCR 2015. Once a contract award notice is published, then the market has 30 days to notify us of any challenge. If no challenge is received then the contract award can proceed. If a challenge is received then we can review it and can choose to proceed or not depending our legal view and the risk associated.
27. A challenge can still be received following the 30 day period, but the consequences for the Council are significantly reduced.

#### ***Strategic priorities and risks***

28. This decision will support the delivery of the strategic plan priority in relation to Children's which is - We will show Middlesbrough's children that they matter and work to make our town safe and welcoming and improve outcomes for all children and young people.

## **Human Rights, Equality and Data Protection**

29. A level 1 Impact Assessment has been completed and found no adverse impacts. A copy is attached in Appendix A

## **Financial**

30. The block contract cost is lower than spot purchasing 3 beds, would result in a cost reduction of £111,215 per annum and increasing local sufficiency will reduce our reliance on spot purchased out of area beds therefore the reduction in the residential budget will cover the cost of the block contract.

## **Actions to be taken to implement the recommended decision(s)**

<b>Action</b>	<b>Responsible Officer</b>	<b>Deadline</b>
VEAT notification to be published	Specialist Commissioning & Procurement Manager	
Confirm award of contract in the event that no challenge is received from the VEAT notification (30 days)	Specialist Commissioning & Procurement Manager	
Notification to provider of contract award	Specialist Commissioning & Procurement Manager	
Contract signed	Specialist Commissioning & Procurement Manager Legal Services	
Purchase Order Raised and provided to provider.	Children's Services	
Review of current and potential placements in order to beginning matching for the 3 beds	Specialist Commissioning & Procurement Manager HOS Children Looked After HOS Futures for Families HOS Safeguarding & Planning	

## **Appendices**

1	Appendix A – Level 1 impact Assessment
2	
3	

## **Background papers**

<b>Body</b>	<b>Report title</b>	<b>Date</b>

**Contact:** Claire Walker, Specialist Commissioning & Procurement Manager  
**Email:** Claire\_walker@middlesbrough.gov.uk

This page is intentionally left blank



Template for Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Residential Block Contract			
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 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 checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> <li>• Key aims, objectives and activities</li> </ul> <p>To block contract a new 3 bedded residential children’s home opening in Middlesbrough in order to assist us in meeting out statutory placement sufficiency and keep children and young people cared for in Middlesbrough thus further supporting family contact, allowing them to remain in education and Health needs if appropriate and avoid out of area high cost placements.</p> <ul style="list-style-type: none"> <li>• Statutory drivers (set out exact reference)</li> </ul> <p>The Council has a statutory sufficiency duty as detailed in section 22G of the Children Act 1989 (‘the 1989 Act’), which requires local authorities to take steps that secure, so far as reasonably practicable, sufficient accommodation within the authority’s area which meets the needs of children that the local authority are looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority’s area (‘the sufficiency duty’).</p> <ul style="list-style-type: none"> <li>• Differences from any previous approach</li> </ul> <p>This is not a different approach this contract would provide additional residential bed capacity in Middlesbrough to accommodate and care for children and young people who are looked after.</p> <ul style="list-style-type: none"> <li>• Key stakeholders and intended beneficiaries (internal and external as appropriate)</li> </ul> <p>The Council, residents and specifically the children and young people of Middlesbrough.</p> <ul style="list-style-type: none"> <li>• Intended outcomes</li> </ul> <p>To strengthen our ability to meet our statutory duty in relation to sufficiency of placements to accommodate children and young people looked after in Middlesbrough.</p>			
Live date:	Jan-March 2023			
Lifespan:	January 2023 – December 2033			

**Date of next review:**

January 2024

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p><b>Human Rights</b>            Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*</p>	X	<input type="checkbox"/>	<input type="checkbox"/>	<p>It is not envisioned that the block contract would negatively impact on individual Human Rights as enshrined in UK Legislation. Evidence includes analysis of performance against statutory requirements in relation to placement of children and young people looked after. The block contract will be considered for any child or young person referred and where it is evident that need and be met and that it would be in the best interest of the child or young person a placement would be made. The provider and home will be required to be registered and inspected by OfSTED in order to be able to provide residential care and a contract will be in place monitored by the Council and the Provider to ensure the service is meeting needs and providing value for money.</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><b>Equality</b>            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>x</p>	<p><input type="checkbox"/></p>	<p><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"> <li>• eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;</li> <li>• advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and</li> <li>• foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li> </ul> <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"> <li>• removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;</li> <li>• 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</li> <li>• encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low.</li> </ul> <p>There are no concerns that this block contract could result in adverse differential impacts on groups or individuals. Evidence includes analysis of performance against statutory requirements in relation to placement of children and young people looked after. The block contract will be considered for any child or young person referred and where it is evident that need and be met and that it would be in the best interest of the child or young person a placement would be made. The provider and home will be required to be registered and inspected by OfSTED in order to be able to provide residential care and a contract will be in place monitored by the Council and the Provider to ensure the service is meeting needs and providing value for money.</p>

Screening questions	Response			Evidence
<p><b>Community cohesion</b>            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>There are no concerns that the block contract could have an adverse impact on community cohesion. Evidence includes analysis of performance against statutory requirements in relation to placement of children and young people looked after. The block contract will be considered for any child or young person referred and where it is evident that need and be met and that it would be in the best interest of the child or young person a placement would be made. The provider and home will be required to be registered and inspected by OfSTED in order to be able to provide residential care and a contract will be in place monitored by the Council and the Provider to ensure the service is meeting needs and providing value for money.</p>
<p><b>Next steps:</b></p> <ul style="list-style-type: none"> <li>➡ If the answer to all of the above screening questions is No then the process is completed.</li> <li>➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.</li> </ul>				

<b>Assessment completed by:</b>	Claire Walker	<b>Head of Service:</b>	Louise Grabham
<b>Date:</b>	10 <sup>th</sup> November 2022	<b>Date:</b>	10 <sup>th</sup> November 2022

This page is intentionally left blank

**EXECUTIVE 6 DECEMBER 2022**

ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED

This page is intentionally left blank



**EXECUTIVE 6 DECEMBER 2022**

**EXEMPTION OF 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 ITEMS 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.

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank