EXECUTIVE

A meeting of the Executive was held on Wednesday 13 March 2024.

PRESENT: Mayor C Cooke (Chair), Councillors P Gavigan, T Furness, P Storey, J Thompson, Z Uddin and N Walker

PRESENT BY INVITATION: Councillors J Banks

ALSO IN ATTENDANCE: N. Corrigan (Local Democracy Report Service)

OFFICERS: M Adams, C Benjamin, S Bonner, G Cooper, G Field, C Heaphy, R Horniman and D Middleton

APOLOGIES FOR ABSENCE: None.

23/81 DECLARATIONS OF INTEREST

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

23/82 MINUTES - EXECUTIVE - 28 FEBRUARY 2024

The minutes of the Executive meeting held on 28 February 2024 were submitted and approved as a correct record.

23/83 FINAL REPORT OF THE HEALTH SCRUTINY PANEL - DENTAL HEALTH AND THE IMPACT OF COVID- 19 - SERVICE RESPONSE

The Health Scrutiny Panel had undertaken a review entitled Dental Health and the Impact of Covid- 19. A copy of the full report was attached. The Scrutiny Panel had made 10 recommendations upon which a response was sought from the relevant service area.

The Mayor and Executive Member for Adult Social Care and Public Health, and the Director of Public Health submitted a service response to the recommendations of the Scrutiny Panel. A copy of the action plan was attached.

The Chair of the Health Scrutiny Panel presented the Scrutiny report.

In relation to recommendation E in the scrutiny report, it was clarified that funding would come from the Public Health Plans which were funded from the Public Health Grant.

ORDERED

That the content of the Health Scrutiny Panel's final report on entitled Dental Health and the Impact of Covid- 19 (Appendix 1) be noted; and

The action plan (Appendix 2), developed in response to the Scrutiny Panel's recommendations, be approved.

REASON

It was a requirement that Executive formally considered the scrutiny panel's report and confirmed the service area's response to the accompanying plan.

23/84 TRANSFORMATION GOVERNANCE ARRANGEMENTS

The Mayor and Executive Member for Adult Social Care and Public Health submitted a report for Executive's consideration.

The intent of the report was to provide assurance to the Executive that the existing Programme and Project Management governance arrangements and those which were proposed specifically for oversight of the Transformation Portfolio and delivery of intended benefits were sufficient and robust.

The Council was currently mid-way through a corporate governance improvement journey, following the report and findings of the Council's external auditor, Ernst and Young LLP in July 2022 which reported significant areas of concerns in governance, including relations between members and officers.

Following communication of the findings of the external auditor, the Council brought in external support (CIPFA and the LGA) to support with the development of the corporate governance improvement plan, alongside undertaking a review of the organisation's financial resilience.

Despite progress made, in January 2023, the Department of Levelling Up, Housing and Communities (DLUHC), issued a Best Value Notice. To respond effectively to the wider governance challenges facing the Council, the corporate governance improvement plan was refreshed in September 2023 around two specific themes: cultural transformation and financial resilience. Simultaneously, the external auditor escalated concerns via statutory recommendations, under Section 24 of the Local Audit and Accountability Act, which the Council responded to with an action plan of improvements, aligning with the Corporate Governance Improvement Plan intentions.

ORDERED that Executive

1. **Endorses the proposed governance arrangements for delivery and oversight of the Transformation Portfolio;**
2. **Notes that to ensure transparency of project resourcing costs within the transformation portfolio and its agreed project financial profiling, any decision to appoint project expense on an interim basis to ensure specialist input with a focus on return on investment, will be taken by the Chief Executive as Transformation Portfolio Senior Responsible Officer, in consultation with the Mayor; and**
3. **Approves the delegated decision-making powers relating to approval of proposed change controls to enable projects to be brought back within tolerances relating to time, scope, cost and benefit and as set out in the Programme and Project Management Framework (PPMF), except where this would be a key decision and Executive approval would be sought through the governance arrangements outlines in this report or via an additional Executive report where a more urgent decision is required.**

OPTIONS

It was imperative that the Council effectively articulated the governing arrangements to ensure achievement of the intended financial and non-financial benefits of the Transformation Portfolio.

REASONS

To enable the Executive to endorse the Transformation Portfolio governance arrangements to ensure effective oversight its programmes and projects, delivery of its intended benefits and that the appropriate delegated decision-making authorities are in place to support good governance and progress at pace of the Transformation Portfolio.

23/85 **ADULT SOCIAL CARE NON RESIDENTIAL CHARGING POLICY (FAIRER CHARGING POLICY)**

The Executive Member for Finance and Governance submitted a report for Executive consideration.

Following a review of the policy, some amendments had been necessary to reflect and update in policy and legislation and to respond to some inconsistencies and presentational issues.

The minor amendments required in the updated policy would result in no changes to the threshold to services and support.

Central Government provided Local Authorities with Statutory Guidance issued under the Care Act 2014 in respect of a single legal framework for charging for care and support under sections 14 and 17. The Act was supported by the Care and Support (Charging and Assessment of Resources) Regulations 2014 which Local Authorities needed to follow when charging individuals for their care and support needs.

The minor amendments to the policy would ensure that the current process for charging was transparent and consistent. The policy would continue with the principle that residents should only be required to pay what they could afford and in turn, be entitled to financial support through a means tested financial assessment. The policy now provided for timescales to which assessment should be considered.

ORDERED that Executive:

1. **That Executive approve delegated authority to the Director of Finance to make future minor revisions/modifications to the policy to provide clarity and reflect alterations in legislation during the period to the next 3 year review.**
2. **Consider the proposals as set out below and approve the updated Non-Residential Charging Policy:**
3. **Approves an update to the appeals processes which provided further clarity.**
4. **Approves an insertion around the lower hourly contracted rate of care and signposted service users to the council's web site.**
5. **Approved the introduction of average response rate for processing assessments.**
6. **Approved the removal of a home visit offering where online solutions could be provided effectively.**
7. **Approved an update of the language to ensure that the policy met the current statutory and legal requirements as set out in the Care and Support (charging and assessment of resources) Regulations 2014.**

OPTIONS

Leave the existing policy in place: although the current policy did not provide sufficient defined criteria or use appropriate language and in some instances fell outside of legislation requirements, albeit where that occurred the service would apply legislation rather than policy. The current policy referred to home visits as being the default option. However, with the introduction of an e-form solution provided a more cost-effective option. A face-to-face solution would be made available where the service user is unable to access online solutions.

REASONS

The Policy was a key decision that impacted on two or more wards and as such required Executive approval.

The updated policy upheld good practice within democratic processes and enabled the refreshed policy to maintain visibility with the Executive.
The minor amendments required would result in no changes to the threshold to services and support provided.

Delegated authority to the Director of Finance to approve future minor modifications to the policy maintained service operation levels. As a working policy failure to keep pace with new legislation left the Council at risk and could result in inconsistent practices.

The proposals provided clarification and an update to language to provide residents with simplified and clearer details of how their income, savings and property would be financially assessed should an individual require care in a non-residential setting.

23/86 **DISCRETIONARY RATES RELIEF**

The Executive Member for Finance and Governance submitted a report for Executive consideration.

The Council's current policy had been refreshed and now incorporated a number of proposed amendments as outlined under the heading 'proposed changes to the current policy/scheme.'

The Local Government Finance Act 1988 provided the Council with mandatory and discretionary powers to award relief from liability for National Non-Domestic Rates (NNDR) against Non-Domestic Properties (Hereditaments).

Mandatory relief was awarded at 80% where the ratepayer in occupation was a charity or trustee for a charity or registered Community Amateur Sports Club.

Discretionary relief could be awarded to non-profit making bodies and organisations whose main objectives were philanthropic, religious, concerned with education, social welfare, science, literature, the fine arts, and to non-profit making clubs, societies or similar bodies that are used mainly for the purposes of recreation.

ORDERED that Executive:

1. **Approve the proposals as set out in the report approve the updated Discretionary Rates Relief policy.**
2. **Approve that delegated authority to approve any future minor revisions/modifications required for clarification or legislative requirements to the policy be provided to the Director of Finance.**
3. **That Executive note that the policy brings together three existing schemes, against which discretionary rate relief could be awarded, to be replaced by one policy which provided clarity and consistency for those organisations wishing to apply for the relevant relief.**
4. **The proposed key changes to the policy included:**
    i. **Clearly defined criteria, decision making panel and e-form to improve the user experience of the application and governance process.**
    ii. **A cap of 50% for Hardship relief applications in year one, with an option for an enhanced rate of 100% relief in year one if applicants can evidence greater impact to the local economy, as outlined in the policy. In addition, an introduction of tapered reductions in consecutive hardship relief awards up to a maximum of three years subject to appropriate supporting evidence.**
    iii. **For organisations that were not registered as charities or Community Amateur Sports Clubs (CASC), a 20% discretionary relief award will be applied (subject to scheme eligibility). This is a reduction from the existing scheme where non-registered organisations have been eligible for up to 100%.**
    iv. **For Partly Occupied Hereditaments, applicants would need to demonstrate inward investment in order to qualify e.g., businesses relocating into Middlesbrough (as opposed to businesses relocating away from the town)**

OPTIONS

Leaving the existing policies in place: although the current schemes did not provide sufficient defined criteria, lack any focus for awarding discretionary relief and presented the possibility of a significant increase in applications once Government funding for other reliefs end and as such was not financially viable, hence not recommended.

Recent applications had been evaluated against the proposed recommendations. The findings of which would indicate an appropriate level of support, whilst also limiting the financial impact to the Council.

REASONS

The Policy was a key decision that impacted on two or more wards and as such required Executive approval.

Delegated authority to the Director of Finance to approve future minor modifications to the policy maintained service operation levels. As a working policy failure to keep pace with new legislation left the Council at risk and could have resulted in inconsistent practices.

The proposals which were contained within the policy distinguished between registered and non-registered organisations. Charitable and sporting organisations that were registered with the Charities Commission and HMRC respectively, often presented with a robust operational structure which improved their status and long-term viability. In addition, registered organisations could apply for mandatory rates relief that reduced liability by 80%.

Focusing support on registered organisations ensured that applications were awarded fairly and appropriately to those organisations that were sustainable and could continue to provide a long-term Service which was of value to the town.

Organisations that were not registered charities/non-profit making organisations/ sporting organisations etc would be signposted by Resident and Business Support to register with the respective governing bodies to improve their status and maximise funding opportunities for their organisation.

For organisations that choose not to register, whist relief could be provided subject to qualification, this was to be capped.

To support organisations through the application process, the proposed policy brought together the three sections under which discretionary rate relief could be awarded. Previously, these sat independently and so had the potential to lack clarity for the applicant about the relief available.

The policy now provided better value in the form of appropriate targeted support to those organisations that could demonstrate a positive contribution to the town's economy. The policy also limited any potential loss of income to the Council, given Central Government was currently providing temporary support for enhanced discretionary rates relief which they had provided on a single year basis.

The proposed policy clarified the qualifying criteria, which also included proposed amendments to some of the criteria and improved the timeliness of the decision-making process. All of which had due regard to the interests of the town's council taxpayers and economy, the sustainability of the applicant organisation, and the impact on the Council's income and its overall financial position.

The policy met the aims of the Mayor's priorities - 'A Successful and Ambitious Town' and 'Delivering Best Value' as set out in the Council Plan 2024 – 2027.

The proposed amends to the policy had been informed where relevant by input from the Council's Regeneration Team.

23/87 **PHASE ONE ASSET SALES**

The Executive Member for Regeneration submitted a report for Executive's consideration.

The report sought Executive approval to dispose of the Council's freehold interest in the following properties in accordance with the Council's Asset Disposal Process:

a. House of Fraser; and,
b. Zetland Car Park.

The Medium-Term Financial Plan (MTFP) Refresh 2024/25 to 2026/27 report agreed by Executive on 23rd August 2023 regarding the Council's overall financial position set out the challenges faced in setting a balanced budget for 2024/25 and beyond.

The Review of Capital Receipts Strategy 2023/24 report agreed by Executive on 21st November 2023 regarding the Flexible Use of Capital Receipts set out the importance of securing capital receipts from asset sales that may be used to support the Council's financial position in one of three ways:

a. to fund investment in projects that will either deliver ongoing revenue savings or deliver transformation in public service delivery through cost and/or demand reduction in accordance with Government regulations governing the Flexible Use of Capital Receipts;
b. to repay the Council's debt and reduce the annual costs of repaying principal and/or interest on such debt; and,
c. to invest in infrastructure through the capital programme.

The Asset Review report agreed by Executive on 21st November 2023 therefore recommended a significant programme of asset sales be brought forward, in addition to the existing pipeline of land and properties being brought forward for disposal.

Since these reports were agreed by Executive in November there had been a significant effort to generate market interest in the new and existing pipeline of land and properties. Some of this interest had developed into firm offers that had been considered agreeable within the context of the Council's current financial position.

The two properties contained within this report had both been the subject of firm, credible offers that reflected their current valuations and were therefore brought forward for decision in line with the agreed Asset Disposal Process.

As the deal was yet to be fully concluded, and negotiations may have continued until the date of final completion, the name of the buyer and the valuations of the respective properties had been identified in a confidential appendix rather than in the main body of the report. These details would be released upon formal completion.

The Mayor recommended the report be amended to include an Overage Agreement and a time scale of 2-5 years to complete the process.

ORDERED that Executive approve:

1. **That the proposed amendment to include an Overage Agreement and timescale of 2-5 years for completion be accepted.**
2. **The sale of the House of Fraser Building (37 Linthorpe Road) to (Ref A Buyer Name - Confidential Appendix I) for (Ref B HoF Valuation - Confidential Appendix I);**
3. **The sale of Zetland Car Park to (Ref A Buyer Name - Confidential Appendix I) for (Ref C Zetland Valuation - Confidential Appendix I); and,**
4. **Delegates responsibility to the Director of Finance and the Director of Regeneration for the negotiation of the final sales value of each property.**

OPTIONS

Retain Both Properties Within Council Ownership

The assessment made through the Council's recent Asset Review identified that the commercial potential of the two properties represented a liability rather than an asset to the Council. Retaining both properties would cost the Council £92,000 per year once holding and operational costs are taken into account.

Retain Both Properties Within Council Ownership Utilising Alternative Management Arrangements

The potential exists to seek alternative management arrangements for Zetland Car Park, that could potentially see an increase in income. This could not be achieved however without significant capital investment in improving the facilities and customer experience that would negate any potential benefit. As House of Fraser has already been marketed by respected national agents, it is not expected that alternative management arrangements would trigger any additional market interest.

REASONS

Disposal of the two properties as proposed would generate significant capital receipts that would contribute to supporting the Council's financial position in one of three ways:

1. **To fund investment in projects that will either deliver ongoing revenue savings or deliver transformation in public service delivery through cost and/or demand reduction in accordance with Government regulations governing the Flexible Use of Capital Receipts.**
2. **To repay the Council's debt and reduce the annual costs of repaying principal and/or interest on such debt.**
3. **To invest in infrastructure through the capital programme.**

23/88 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.**

23/89 **EXCLUSION OF PRESS AND PUBLIC**

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

23/90 **EXEMPT - PHASE ONE ASSET SALES - APPENDIX 1**

The Executive Member for Regeneration submitted an appendix containing exempt information associated with agenda item 8 (Phase One Asset Sales) for Executive's consideration.

AGREED

That the contents of the appendices be noted.

REASONS

For reasons outlined in the report at agenda item 8.

<u>All decisions will come into force after five working days following the day the decision(s) was published unless the decision becomes subject to the call in procedures.</u>