

REGENERATION SCRUTINY PANEL

Date: Wednesday 17th January, 2024
Time: 10.00 am
Venue: Spencer Room

AGENDA

1. Welcome and Evacuation Procedure
2. Apologies for Absence
3. Declarations of Interest
To receive any declarations of interest.
4. Minutes - Regeneration Scrutiny Panel - 6 December 2023 3 - 6
5. Council Budget 2024/25 and Medium Term Financial Plan Refresh - Regeneration 7 - 16

The Executive Member for Regeneration and the Director of Regeneration will be in attendance to present the Regeneration Service budget to the Panel.

Recommendation: for the Panel to provide their views/comments to the Overview and Scrutiny Board.
6. Planning Capacity Review

The Head of Planning will provide the Scrutiny Panel with an update in relation to the Planning Skills Delivery Fund and current Planning Performance as part of the evidence gathering for the current review of Planning Capacity.

Recommendation: that the Panel notes the information provided.

7. Local Plan Update

The Head of Planning will provide an update on the draft Local Plan.

Recommendation: for the Panel to note the information provided.

8. Overview and Scrutiny Board Update

The Chair will provide a verbal update on matters considered at the meetings of the Overview and Scrutiny Board held on 20 December 2023 and 10 January 2024.

9. Date and Time of Next Meeting

The next meeting of the Regeneration Scrutiny Panel is scheduled to take place on Wednesday 14 February 2024 at 10.00 am.

10. Any other urgent items which in the opinion of the Chair, may be considered.

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Tuesday 9 January 2024

MEMBERSHIP

Councillors I Blades (Chair), N Hussain (Vice-Chair), J Ewan, S Hill, L Hurst, D Jackson, J Kabuye, I Morrish, J Ryles and T Furness

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Susan Lightwing, 01642 729712, susan_lightwing@middlesbrough.gov.uk

REGENERATION SCRUTINY PANEL

A meeting of the Regeneration Scrutiny Panel was held on Wednesday 6 December 2023.

PRESENT: Councillors I Blades (Chair), N Hussain (Vice-Chair), L Hurst, D Jackson, J Kabuye and I Morrish

PRESENT BY INVITATION: R Blyth, Head of Policy Practice and Research, Royal Town Planning Institute Annabelle and Phoebe, Young Planners

OFFICERS: S Lightwing, A Glossop and P Clarke

APOLOGIES FOR ABSENCE: were submitted on behalf of Councillors J Ewan, S Hill and J Ryles

23/29 **WELCOME AND EVACUATION PROCEDURE**

The Chair welcomed all present to meeting and read out the Building Evacuation Procedure.

23/30 **DECLARATIONS OF INTEREST**

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

23/31 **MINUTES - REGENERATION SCRUTINY PANEL - 1 NOVEMBER 2023**

The minutes of the Regeneration Scrutiny Panel meeting held on 1 November 2023 were submitted and approved as a correct record.

23/32 **PLANNING CAPACITY - SCRUTINY REVIEW**

Richard Blyth, Head of Policy Practice and Research at the Royal Town Planning Institute (RTPI) attended the meeting virtually and gave a presentation in relation to the Levelling-Up and Regeneration Act 2023 to assist the Panel with the current scrutiny investigation into Planning Capacity. Information was also provided in relation to the National Planning Policy Framework (NPPF) and Local Plan-making.

The Levelling-Up and Regeneration Bill

The Levelling-Up and Regeneration Bill was published in May 2022 and received Royal Assent in October 2023. Whilst a number of amendments were proposed during the Bill's journey through Parliament, very few were conceded.

In addition to the impact of this new Act, it was highlighted that the Environment Act 2021 had also brought challenges to the planning system through the introduction of biodiversity net gain, which would be active from next month.

The Panel's attention was drawn to the following elements of the Levelling-Up and Regeneration Act 2023:

- The Act brought in a requirement to prepare Environmental Outcomes Reports (EORs) which would replace the existing Strategic Impact Assessments (SIAs) and Environmental Impact Assessments (EIAs) and would be more streamlined. Environmental Assessments were currently quite broad and could include issues such as social and economic impact. However the EORs would be limited to environmental outcomes set by government ministers. This would be quite a change for planning applications and local plans.
- The Community Infrastructure Levy (CIL) and much of the Section 106 payments system would be replaced with a new national infrastructure levy. Where and how infrastructure spending was allocated would be determined by local infrastructure delivery strategies.
- New Street Vote powers, would allow residents on a street to bring forward proposals to extend or redevelop their properties in line with their design preferences. So long as

development rules and other statutory requirements were met, a referendum of residents would then be held to determine whether planning permission should be granted.

- National Development Management Policies (NDMPs) would be introduced which would, in future, have priority over Local Plans.
- There were proposals for two tier Council areas in England to co-operate more in planning terms which would be useful for the development of Local Plans.

On behalf of the UK planners, the RPTI had proposed an amendment to the Bill to bring in legislation that would allow Planning Committees to be held virtually. The temporary measure introduced during the Covid-19 Pandemic had been useful and enabled a greater variety of people to be involved in planning. Unfortunately the amendment had not been enacted.

The RPTI also wanted to strengthen the provision for climate action in the Bill and had supported a campaign to make it legally binding to build healthy homes.

National Planning Policy Framework (NPPF)

The Government had also proposed changes to the National Planning Policy Framework (NPPF). The NPPF was a statement of policy rather than legislation. Proposed changes included:

- Local housing targets would become advisory and the need for Local Authorities to continually demonstrate a deliverable five year housing land supply would be removed.
- A greater emphasis on the need for social housing and housing for older people in planning decisions.
- Controversially, if a developer failed to build on planning permissions that they had, the planning authority would be able to use that factor as a material decision for future planning applications.
- Increased support for beauty in planning applications.
- Support for re-using wind turbines – ie replacing worn out blades without having to apply for planning permission again
- Appropriate incentives for communities to encourage them to agree to on-shore solar farms.

The consultation had closed at the beginning of March 2023 and the Government response was awaited within the next few weeks.

It was highlighted that where there were NDMPs, the NPPF would not be needed. The suite of national policies would be open to consultation next year.

Local Plans

In August 2023 the Government proposed new ideas to speed up the process for Local Plans. One of the current difficulties with the plan-making consultation was that it placed a great deal of information on process. The proposals did not give any detail about what resources would be brought into local plan making and there were no fees. There would be greater involvement from the Planning Inspectorate to ensure that Local Plans were fit for purpose on submission.

There were concerns from people in the sector around abolishing supplementary planning documents and replacing them with a plan that only related to design issues. As the local plan was replaced with the new style plan, any Supplementary Development Plans (SDPs) would effectively be abolished and replaced.

There was also the question of how to move from the current system of plan making to the new system. Clarification was needed as to at what stage within the local plan series of milestones, any Local Authority would have to turn back and start again under the new

system.

Middlesbrough was currently in the process of renewing its local plan and it was important to press on towards completion to avoid being caught in the transitional process.

The RPTI had commissioned a study to look at reasons for delay to local plans and noted that uncertainty about the Government's intentions was a really strong influence on delayed local plans.

With regard to Combined Authorities, it was apparent that if a Borough's Local Plan already had a housing number to work to, provided by joint working across a wider area, that plan would proceed through the process more quickly because the overall amount of the plan did not have to be discussed in the local plan enquiry.

The plan making consultation had closed recently and it was unknown when the Government would produce a response.

The Chair thanked Richard Blyth for his presentation.

AGREED that the information provided was received and noted.

23/33

MIDDLESBROUGH COUNCIL WEBSITE

The Development Control Manager provided an update on a review of the Council's website content in relation to Planning and Development. A recent review by the Planning Advisory Service (PAS) had highlighted the following areas for improvement:

- Focus on reducing officer time spent on general enquiries and promoting the information available to applicants and the public.
- Planning had a poor web presence, with many enquiries being handled by the technical team and other officers, which could easily be avoided with direction to an accessible website.
- Updates needed to reduce time spent on queries and complaints. This included highlighting the importance of the following sections:
 - The standard of applications required.
 - Local validation list.
 - Protocol for resubmitting invalid applications or amending validated applications.
 - Clearer sign-posting to Planning Portal for advice.
 - Availability of the pre-application service.

The pre-application service had previously been free but charges had been introduced earlier this year. The number of requests for advice had subsequently reduced.

If the information provided on the website was user friendly, applicants would not need to take up officer time and be confident that they had a suitable scheme to submit.

Members were shown several screenshots of the current planning and development web pages which followed the corporate layout. There were 19 elements within the planning policy remit and currently none stood out as having more importance than other, whereas some of the information was secondary.

The PAS had identified some other local authorities' website that they considered best practice examples. Officers had reviewed those websites and was currently working with the Digital Team to create an improve Middlesbrough version. Guidance had been taken in relation to cultural diversity and whether there were any issues with language.

Members viewed some screenshots of other local authorities' websites. The use of images on some of the websites to help promote information was also noted.

The key areas of planning were: Planning Policy, Development Control, Planning Enforcement and Conservation. The aim was to get the website information in a workable format so that

applicants could submit forms online.

It was hoped that the website development would take approximately six months to complete and then the new format would be tested. The Council had previously used a focus group comprising 80 residents to carry out testing. There was a development area on the website that could be used to test on.

A suggestion was made that Councillors could receive training on the new website in order to be able to better assist residents.

The new website would be mobile friendly. It was noted that 85% of users of the Council's website used mobile devices to access it.

With regard to Artificial Intelligence (AI), whilst could be used to provide information, sometimes there were different responses to the same question in planning matters. Further development would be needed to provide Officers with confidence in this technology.

AGREED that the information provided was received and noted.

23/34 **OVERVIEW AND SCRUTINY BOARD UPDATE**

The Chair provided a verbal update on the meeting of the Overview and Scrutiny Board meeting held on 15 November 2023.

The Executive Member for Finance and Governance was in attendance and provided information in relation to the Council's current financial position.

23/35 **DATE AND TIME OF NEXT MEETING**

The next meeting of the Regeneration Scrutiny Panel was scheduled to take place at 10 am on Wednesday 17 January 2024.

23/36 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.**

None.

2024/25 Budget & MTFP Scrutiny Consultation

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January 2024

Agenda Item 5

Agenda

- Remaining Budget Gap
- Post Settlement Update/ Exceptional Financial Support
- Regeneration – context
- Questions : Regeneration – Budget savings proposals
- Next Steps and Close

Remaining Budget Gap after all current budget proposals and Council tax assumptions

Item	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Revised gap before new budget savings proposals	18.098	6.552	2.272	26.922
New savings proposals	(14.038)	(5.083)	(1.967)	(21.088)
Revised gap after new savings proposals	4.060	1.469	0.305	5.834
New growth to support transformation	0.000	0.127	0.000	0.127
Reversal of savings approved by Council in 2023/24 Budget Report	1.158	-	-	1.158
Proposed unachievable previously approved savings	1.061	-	-	1.061
New growth/amend previous years' savings	2.219	0.127	0.000	2.346
Refreshed Budget Gap + / Surplus ()	6.279	1.596	0.305	8.180

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Report Reference - Table 18

Post Settlement Update

- **Local Government Finance Settlement** announced 18 December
 - Analysis of impact will be complete early January
- Initial assessment - settlement is in line with officer expectations and **does not close the 2024/25 budget gap.**
- CIPFA guidance to s151 Officers who are considering issuing a **s114 Notice** is to:
 - engage with DLUHC and make an application for **Exceptional Financial Support (EFS)**
 - in order to agree a financial recovery plan that will avoid the requirement for a s114 Notice
- EFS will provide a temporary funding solutions that will buy time for the Council to achieve financial sustainability and avoid a s114 Notice
- Prior to issuing a s114 Notice, the s151 Officer and Chief Executive, with the support of the Mayor and Executive
 - will make an **application for EFS – Mid January**
 - **DLUHC response** expected at the latest prior to Council meeting on **28 February.**

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Regeneration – Context

Key messages from Regeneration Executive

- The majority of the service is funded through capital, external grants and commercial income – hence the low net budget. Notable exceptions include Culture (£1.1m), where the cost of running multiple venues is significant.
- The amount of external funding secured and managed through the team each year is significant, and requires significant staff resources to deliver the accompanying programmes. A further £20m has been secured this year for delivery in 2024/25 and 2025/26.
- Commercial income is volatile and will vary from year to year in line with market conditions, inflation and utility costs – all of which have been challenging this year. Economic shocks such as the closure of Wilkos have also impacted the current budget.
- Ticket sales at the Town Hall and Exhibition at the Dorman Museum have held up well despite competition.
- Community Learning continue to carry a £0.500m income target that is increasingly unachievable due to restrictions in contract payments from education funders. This will have to be addressed through a staffing review in 2024/25 but has a negative impact on the current year’s budget position.
- The directorate is running at a vacancy rate of around 20% as posts are held vacant to reduce the corporate overspend.

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Regeneration – Financial Context 2023/24

- For Period 7 (October 2023), the forecast outturn is £133.792m (before Financial Recovery Plans), an adverse variance of £7.438m (+5.9%) – a decrease of (£1.118m) from the £8.556m reported at Quarter 2.
- Financial Recovery Plans totalling £1.584m have been proposed which if assured and fully implemented would reduce the adverse variance to £5.854m.

Regeneration, with a current net budget of £0.986m forecast outturn is £0.630m, a **favourable variance of £(0.356)m**. Noting budgeted gross spend is £20.156m offset by gross income £19.170m.

- The key drivers of the favourable variance is better than expected income from the Cleveland Centre and Boho buildings which is partially offset by an adverse variance from increased utility costs under Property Services

Savings Summary – Regeneration

Appendix 2: Budget savings proposals considered to potentially affect front line service delivery levels

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
REG03	T	<p>Concentrate the town's museum offer in the Dorman Museum (80,437 annual visitors) and withdraw from the Captain Cook Birthplace Museum (5,360 annual visitors).</p> <p>This will be achieved by investing in the offer at the Dorman Museum, expanding the range of exhibitions, and improving the visitor experience. The Captain Cook Birthplace Museum will either be operated by another organisation or closed and integrated into the Dorman offer, with the building used for other purposes.</p>	(0.200)	(0.145)		(0.345)		

Savings Summary – Regeneration

Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
REG01	S	Reducing the number of staff we need to deliver regeneration activities by implementing new ways of working. This will be achieved by reducing staffing in the Regeneration Directorate by around 10 posts.	(0.263)	(0.129)		(0.392)	(10.0)	45.9
REG02	S	Changing the way the Middlesbrough News e-newsletter is produced and delivered. This will involve more localised updates being sent to subscribers	(0.008)			(0.008)	-	-
REG04	T	Improve the commercial potential of the Town Hall and Theatre to maximise the potential of the buildings and provide a greater range of performances. This will involve joining up management and programming arrangements and exploring partnerships with private sector promoters.	(0.050)	(0.100)		(0.150)	-	-
REG05	I	Use grant funding to cover some of the existing economic growth activities the Council carries out. This will involve using more of the grant funding the Council receives to cover staff costs.	0.000	(0.050)		(0.050)	-	-
REG06	E	Reducing the number of staff we need to deliver the Council's marketing and communication activities by implementing new ways of working. This will be achieved by utilising different ways of marketing and communicating that will ultimately require fewer staff.	(0.050)	(0.050)		(0.100)	(2.0)	1.0
REG07	T	Investing in better co-ordination of the way the Council provides housing to reduce the overall spend on emergency, temporary and short term accommodation for people. This will involve better modelling of need, flexible agreements with housing suppliers and using the Council's own properties first.	(0.080)	(0.220)	(0.200)	(0.500)	-	-

Questions

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Next Steps & Close

- Individual Panel's views/ comments will be compiled in a “consolidation briefing note“ and discussed at the OSB Special meeting on the 18th Jan.
- Once agreed at OSB this will be submitted to the Mayor/ Exec by the Chair of OSB.
- If any answers are provided outside of the Panel these may need to be fed into the “consolidation note.”