

EXECUTIVE

A meeting of the Executive was held on Tuesday 10 May 2022.

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

ALSO IN ATTENDANCE: E Craigie (Teesside Live)

OFFICERS: S Butcher, G Field, R Horniman, A Hoy, S Reynolds, E Scollay, A Wilson and I Wright

21/128 **DECLARATIONS OF INTEREST**

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

21/129 **MINUTES - EXECUTIVE - 19 APRIL 2022**

The minutes of the Executive meeting held on 19 April 2022 were submitted and approved as a correct record.

21/130 **CULTURAL CAPITAL INVESTMENT PROSPECTUS**

The Executive Member for Culture and Communities and the Director of Regeneration and Culture submitted a report for the Executive's consideration. The purpose of the report was to:

- a) brief the Executive Members on the Cultural Capital Investment Prospectus and Cultural Partnership; and
- b) seek support for the Cultural Development Fund.

The Cultural Capital Investment Prospectus, developed by Middlesbrough Cultural Partnership, was a live document that brought together the current opportunities for investment within the town's creative sector.

The partnership had held an online event on Monday 25 April 2022 to officially launch the prospectus to both internal and external stakeholders, who would be instrumental to delivering the projects detailed in the prospectus.

The partnership worked collectively to bid for the Cultural Development Fund (CDF) for an investment of £4.25 million in the town. Organisations involved in the bid included Middlesbrough Council, MIMA, The Auxiliary, Middlesbrough Railway Station and Platform Arts. The partnership had successfully been awarded £4.25 million from the Department for Culture, Media and Sport.

Feasibility studies had been completed by consultants and a breakdown of the elements that the funding planned to cover, for each of the respective organisations, was tabulated underneath paragraph 7 of the submitted report.

The Executive commended the work undertaken by the Head of Culture and the Cultural Services Team in securing funding of £4.25 million from the Department for Culture, Media and Sport.

OPTIONS

A further option would have been to not accept the funding, which was not recommended as the Council had applied for it.

ORDERED

- 1. That the development of Middlesbrough Cultural Partnership's plans for**

investment across the town be supported.

2. That, provided the holistic budget limit was not exceeded, the Director of Regeneration and Culture and Director of Finance be delegated authority on all decisions pertaining to the delivery of the Cultural Development Fund, including:
 - entering into a funding agreement with Arts Council England;
 - procurement and contractual arrangements;
 - appointment of specialist advisors;
 - marketing and communications; and
 - asset management and operations.

REASON

The funding had been secured to deliver significant improvements across the cultural provision of the town.

21/131

DEMOLITION OF THE FORMER SLAM NIGHTCLUB

The Executive Member for Environment, Finance and Governance and the Director of Environment and Community Services submitted a report for the Executive's consideration. The purpose of the report was to seek approval for the demolition of the former Slam nightclub.

The building was located in Middlesbrough's Historic Quarter, under the A66. It fronted onto Exchange Square, with the rear facing Wilson Street. The building was on a main thoroughfare from the retail core to the Railway Station, Boho Zone and Middlehaven.

The property was last used as the Slam bar and nightclub, which closed its doors to customers in 2016. The building had been vacant since that date. Until recently, whilst Middlesbrough Council owned the freehold, the property had been subject to a 125 year lease. That lease had now been surrendered by the leaseholder.

As a result of water ingress at the bridge joint, one of the A66 columns needed significant, imminent repair works to make it safe, which would require part-demolition of the building.

For the reasons summarised in the submitted report, it was an opportune time to consider the future of the building; to assess its commercial value versus maintenance and risk factors; and, to understand if the space had a role in opening up links from central Middlesbrough to the Boho Zone, Middlehaven area and Historic Quarter.

OPTIONS

Following partial demolition to carry out essential bridge repair works some reinstatement works would have been necessary to make the building water-tight and safe.

Minimal works would have been undertaken to achieve that, which would have left the building in an unlettable condition. That would have inevitably led to further deterioration over time and, if the building was subsequently let, would have created access issues and would have cost implications for further inspections of the bridge and any future maintenance requirements. Therefore, that option was not recommended.

Sale of the building - That was not recommended, given the ongoing need for access to the A66 and its column supports.

Operational use - the property could have been an operational/storage facility for the Council. That was not recommended for the following reasons:

- operational or storage space may have been better suited to an out of town centre location;
- it would not have generated any income and required operational costs, utilities and business rates.
- the Council would have carried the maintenance liability; and

- **there were potential access issues for bridge inspections.**

ORDERED

That the demolition of the former Slam nightclub be approved.

REASON

As a minimum, the Council was required to part-demolish the building in order to carry out essential A66 repair work. The costs to partly demolish and then reinstate the building to a letting standard would have cost almost as much as full demolition. Leaving the building in-situ would have, in the future, created access issues for general and principal inspections of the overbridge structure and supporting columns and additional cost if further remedial or maintenance works were ever required to the bridge columns or spans.

21/132

GREEN STRATEGY - YEAR TWO ACTION PLAN

The Executive Member for Environment, Finance and Governance and the Director of Environment and Community Services submitted a report for the Executive's consideration. The purpose of the report was to seek approval of Middlesbrough Council's Green Strategy Year Two Action Plan and to summarise the progress made in Year One.

The Green Strategy had three main aims:

- To make Middlesbrough Council net carbon neutral by 2029.
- To ensure Middlesbrough as a town was net carbon neutral by 2039.
- To make Middlesbrough a lead authority on environmental issues

The Green Strategy was an overarching climate change and sustainability strategy that contained a number of themed action plans based upon the One Planet Living (OPL) framework and principles, which were:

- Zero Carbon;
- Zero Waste;
- Land Use and Wildlife and Sustainable Water;
- Sustainable Transport;
- Culture and Community;
- Health and Happiness;
- Equity and Local Economy;
- Local and Sustainable Food; and
- Sustainable Materials.

The Strategy had been adopted and approved by Executive in 2021 and had delivered a range of achievements in Year One (2021/22), which were summarised at paragraph 5 of the submitted report.

The Mayor raised a query regarding Middlesbrough's recycling rates. The Director of Environment and Community Services explained that Middlesbrough's current recycling rate was 33% and the Council was undertaking work to educate residents on recycling. It was also added that a new Government Bill would propose plans to boost recycling and detail new targets.

A Member commented that it would be beneficial for electric car charge points to be promoted and a map of locations to be developed.

OPTIONS

The other option was to do nothing and to not approve the proposed Year Two Action Plan - That would have resulted in the Council not meeting its set climate change obligations and ambitions to be a lead authority on environmental initiatives and therefore was not recommended for that reason.

ORDERED

1. That the progress achieved in Year One (2021/22) of the Green Strategy, as outlined, be noted and the following Year Two (2022/23) actions be approved:
 - Commence with data capture for carbon emissions for the town of Middlesbrough.
 - Enhance digital connectivity and develop a digital poverty strategy.
 - Develop a culture programme for parks with green credentials.
 - Deliver an Eco-festival.
 - Introduce active travel measures and hubs.
 - Establish a green social prescribing model.
 - Develop clean air zones.
 - Work with suppliers to help them reduce their carbon footprint.
 - Develop a social value framework and charter for Council procurement contracts.
 - Establish a food re-distribution hub in Middlesbrough.
 - Develop five new community growing sites.
 - Achieve the Sustainable Food Places Gold Award with a '22 Carrot Gold' campaign.
 - Develop two new nature reserves.
 - Purchase new machinery which will help manage meadows and verges more sustainably.
 - Plant 13,000 trees and sow 80,000m² of urban meadows.
 - Work with business and organisations to help them further reduce their carbon impact and explore energy saving measures.
 - Further expand the Council's electric vehicle fleet.
 - Work with the Tees Valley Combined Authority to install new electric vehicle charging points in locations across the town.
 - Retain World Tree City status.
 - Hold a Climate Showcase event for business and communities.

REASON

The recommendation to progress with the outlined actions for Year Two of the Green Strategy was the only possible decision, other than to do nothing.

The Green Strategy was a long-term environmental programme and approach to respond to the climate emergency. Middlesbrough had to act now to rise to that challenge to ensure it met targets of becoming net carbon neutral by 2029 for the Council and 2039 as a town. The actions for Year Two planned to enable the Council to move closer to achieving its three overall environmental aims:

- To make Middlesbrough Council net carbon neutral by 2029.
- To ensure Middlesbrough as a town was net carbon neutral by 2039.
- To make Middlesbrough a lead authority on environmental issues.

The Council therefore had an obligation to respond to climate change and lead by example by delivering against its promised actions within the Green Strategy on which it undertook public consultation in 2021.

The proposed Year Two actions of the Green Strategy had not been examined by Scrutiny.

21/133

IMPROVING OUR HIGHWAYS

The Executive Member for Environment, Finance and Governance and the Director of Environment and Community Services submitted a report for the Executive's consideration. The purpose of the report was to request the Executive to approve prioritisation of immediate works required for 2022/23 (detailed in Appendix 1 of the submitted report), on the premise that during which time a re-evaluation exercise would be undertaken to address the approach to Red / Amber carriageway defects.

The deterioration of national carriageways was an issue across the country. In Middlesbrough, 15% of all carriageways were currently rated Red / Amber. It was therefore appropriate to re-evaluate the approach to maintaining and improving highway assets, with a view to improving the condition of the road network.

The estimated cost of dealing with all Red / Amber roads using existing contracts was £18.9m. The submitted report described how savings of 18% could be derived, reducing the bill to £15.5m. It was thought that the tendering process would not be complete until December 2022 and therefore the report recommended an approach that would result in £2m of works commencing within Quarter Two of 2022/23.

Whilst the work took place, a re-evaluation exercise would be undertaken to address Red / Amber carriageway defects as per Department for Transport classifications; developing a longer-term strategy for maintenance and improvements to carriageways, in-line with the medium-term financial plan.

The Executive was in agreement that the significant investment of £15 million would enable the Council to develop a planned approach for identifying, maintaining and improving carriageways in Middlesbrough.

OPTIONS

Due to the significant levels of deterioration across the road network and the due diligence work undertaken as part of the submitted report, no other options had been considered.

ORDERED

- 1. That identification and progression of focused activity in 2022/23 be approved to address the worst-affected 12.9% of Red / Amber roads at a cost of £2m (detailed at Appendix 1), noting that in doing so higher direct award prices (estimated at approximately £360k) would be incurred.**
- 2. That the undertaking of re-evaluation exercise be approved, in developing a longer-term strategy for identifying, maintaining and improving carriageways to address 100% of Red / Amber roads, tendering for works via the NEPO framework.**

REASON

To provide the necessary detail to allow the Executive to make an informed decision based on need and impact, whilst demonstrating that the service remained fit for purpose to best address the needs of the town.

21/134

PROPOSED SERVICE DELIVERY MODEL AND ASSOCIATED SUBSIDISED CHARGES FOR RESIDENTIAL PEST CONTROL

The Executive Member for Environment, Finance and Governance and the Director of Environment and Community Services submitted a report for the Executive's consideration. The purpose of the report was to seek approval of the proposed service delivery model and associated subsidised charges for residential pest control.

At Full Council on 23 February 2022, £90,000 was allocated to providing a subsidised residential pest control service in Middlesbrough. That planned to fund additional resources to ensure that current service levels did not drop and that the Council could offer a subsidised chargeable residential service, which was reliable. The income from the service, along with the £90,000 budget allocation, planned to make it self-sustainable based on the number of visits in 2017/18, which was when the Council last provided a residential service.

The proposed charge for residential pest control in Middlesbrough was £15 per visit, regardless of what type of pest was being treated. Whilst some local authorities had a free service for rats and mice inside the home, they still charged up to £40+ per visit for those pests in gardens and other outside areas.

A cost analysis of the Tees Valley local authorities and private businesses had been

undertaken, the findings of which were detailed below paragraph 6 of the submitted report.

The £15 per visit proposed in the submitted report would be for any residential pest control visit either inside the home or in the outside boundary of the residential property. Therefore, the overall cost for members of the public would be lower than neighbouring authorities and significantly lower than that of private contractors.

OPTIONS

The option to do nothing was not recommended as the issue had been agreed as a priority at the Full Council budget setting meeting on 23 February 2022, and funding had been allocated to provide the service.

ORDERED

- 1. That the proposed service delivery model and associated subsidised charges be approved for residential pest control:**
 - a) A chargeable residential pest control service be reintroduced as per the staffing proposal.**
 - b) A subsidised charge for pest control be set at £15 per visit, being comparable with neighbouring local authorities and approximately 50% lower than some external providers. That would not apply to people who were in properties of social registered landlords.**
 - c) That payment must be made prior to each visit.**
 - d) That charges be reviewed in 12 months to assess demand and sustainability of the service.**

REASON

A chargeable residential pest control service needed to be reintroduced due to increased demand for the service and the fact that the budget had been allocated via the budget setting process at Full Council on 23 February 2022.

The allocation of the £90,000 budget, which was approved at Full Council on 23 February 2022, allowed the Council to provide a subsidised service with charges set at £15 per visit in order to ensure that the service was deliverable and sustainable.

Payments were required prior to each visit, to reduce the potential of bad debt.

21/135

TEES ADVANCED MANUFACTURING PARK - NEXT PHASE - PART A

The Executive Member for Regeneration, the Executive Member for Environment, Finance and Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to propose the development of a second phase at Tees Advanced Manufacturing Park (TeesAMP), funded by Middlesbrough Council (£8.82m), subject to complementary funding from Tees Valley Combined Authority (TVCA); and, an additional £335k to balance the first phase development budget.

In March 2022, Cushman & Wakefield Debenham Tie Leung (C+W) completed a two part review on the first phase development value and demand within the light-industrial sector moving forward.

Summary development disposal valuations were set out in Part B of the submitted report.

Overall, the report concluded that the Council's original £12.523m investment in the first phase had realised a significant uplift in asset values, and was simultaneously providing considerable revenue income. That had stimulated investment in Middlesbrough, uplifted land values and had incentivised investment in nearby land and property assets.

Further development therefore provided an opportunity to secure additional capital receipts, or, substantially increased asset valuations coupled with additional annual rental income to support the Council's financial position more generally.

OPTIONS

A summary of the options were tabulated below:

Options	Strategic Fit	Affordability & Value for Money	Conclusion
Do Nothing	No - Lost opportunity and negligent use of a strategic asset.	No - A dormant site will require revenue for maintenance.	Discard
Asset Disposal	No - Risk of lower quality of development and denuded corollary benefit realisation.	No - A sale would generate c. £2m capital receipt, with no future rental income benefit.	Discard
Council funded second phase development	Yes - Ensuring a high quality of development, with corollary benefit realisation	No - The Council would assume all risk mitigation and increase the likely schematic break-even point.	In abeyance
Council and TVCA funded second phase development	Yes - Ensuring a high quality of development, with corollary benefit realisation.	Yes - Reduces risk exposure whilst improving asset value by £3.8m and generating income.	Proceed

ORDERED

1. That the information contained in Part A of the report be noted.
2. That the decision be taken once all the financial or exempt information contained in Part B of the report has been considered.

REASON

The detailed business case coupled with C+W Update Report concluded that a second phase of development at TeesAMP:

- a) represented a proportionate cost for the development;
- b) provided a reasonable risk and return profile for the Council; and
- c) provided the opportunity to realise substantial corollary benefits, as highlighted in paragraphs 25, 26 and 30 of the submitted report.

21/136 **EXCLUSION OF THE PRESS AND PUBLIC**

The resolution to exclude the press and the public was agreed.

21/137 **EXEMPT - TEES ADVANCED MANUFACTURING PARK - NEXT PHASE - PART B**

The Executive Member for Regeneration, the Executive Member for Environment and Finance & Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration.

ORDERED

1. That the recommendations of the report be approved.

REASONS

The decision was supported by the following reason:

For reasons outlined in the report.

10 May 2022

The decision(s) will come into force after five working days following the day the decision(s) was published unless the decision becomes subject to the call in procedures..