

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.

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.

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.