

MIDDLESBROUGH COUNCIL

AGENDA ITEM 3

OVERVIEW AND SCRUTINY BOARD

20 NOVEMBER 2020

CALL IN – FUTURE OFFICE ACCOMMODATION UPDATE

PURPOSE OF THE REPORT

1. In accordance with Middlesbrough Council's call in Procedure, to allow Members of the Overview and Scrutiny Board (OSB) the opportunity to consider a decision made by the Executive.

RECOMMENDATION

2. That the Overview and Scrutiny Board considers the decision of the Executive and determines whether it should be referred back to the decision making body for reconsideration.

EXECUTIVE DECISION

3. A meeting of the Executive was held on 27 October 2020. At that meeting, consideration was given to a report of the Mayor and the Chief Executive in respect of future accommodation update.
4. A copy of the above report, which outlined the background to the Future Accommodation Update, is attached at **Appendix 1**.
5. The report included the following recommendations:-

That the Executive reconsiders the preferred option of Centre North East for the future accommodation of Council Staff and approves that alternative options for accommodation are explored.

The decision was supported by the following analysis:

Covid-19 has had a significant impact on working practices and the effects of social distancing, home working and locality working means that the Council needs to re-evaluate the amount of future office accommodation required.

The investment the Council would be making in selecting new accommodation is significant, and this would represent appropriate due diligence in the current (and anticipated future) climate.

CALL IN PROCEDURE

6. The power to call in a decision of a local authority executive body was introduced under the Local Government Act 2000. The process is intended to hold decision makers to account and ensure that executive powers are discharged properly. Call in ensures that a decision can be reviewed and reconsidered before it is implemented.
7. The procedure allows Members the opportunity to call in decisions for review by the Overview and Scrutiny Board as follows:
 - A decision made by The Executive;
 - A decision made by an individual Member of the Executive;
 - A decision made by a committee or sub-committee of the Executive;
 - A key decision made by an officer with delegated authority from the Executive; or
 - A decision made under joint arrangements.
8. The process is initiated by five Members of the Council requesting a decision to be reviewed within five working days following publication of the decision and submitting a form that outlines the reason(s) for the call in.
9. The completed Call-In form, signed by five Members supporting the request to call in the decision outlined above was received by the Monitoring Officer on 4 November 2020.
10. The five Members supporting the call in were Councillors Bell (Proposer) Hill, Hubbard, Platt and Wilson.
11. The decision to be called in is as follows:
 - That the Executive reconsiders the preferred option of Centre North East for the future accommodation of Council Staff and approves that alternative options for accommodation are explored.
12. The reasons for the call in, as determined as being valid by the Council's Monitoring Officer, are as follows:

Decision: that the Executive reconsiders the preferred option of Centre North East for the future accommodation of Council Staff and approves that alternative options for accommodation are explored as presented and agreed by the Executive 27th October 2020

Reasons

The decision was taken with insufficient information provided to enable a valid decision. It does not comply with the principles or requirements of Value for Money.

Please note: there is agreement that the decision to occupy Centre North East should be revisited as moving to Centre North East was never going to be cost effective and was always a poor decision.

The decision should be called-in and scrutinised regarding the cost of over £150,000 which is said to be required to revisit the decision to occupy Centre North East.

No information was provided to explain:

- Why the cost will be over £150,000?
- What the exact cost will be?
- What the money is required for?
- How /on what the money will be spent?
- What will be achieved for the spend?

No alternatives to spending £150,000 were provided. No other options of achieving the aim stipulated in the report were provided.

Without the basic information described above, it is impossible for members to be assured of correct decision making. An informed decision is not possible and value for money cannot be demonstrated.

Middlesbrough Council's accounts for 2019/20 will have the Value for Money section qualified. This recurring state of affairs is unacceptable.

Taking a decision without the required information to enable a valid decision to be taken could result in the auditors qualifying the Value for Money element in this years' accounts.

More importantly, there is no information provided that allows members to scrutinise if spending £150,000 represents Value for Money. Nor can members assess if there is another less expensive approach that would achieve the same outcome. It is extremely concerning that spend of over £150,000 is seemingly dismissed as being unimportant because it represents *less than half of one percent of the potential cost of the project being explored*. This significant amount of money should be properly accounted for to ensure that the tax payers of Middlesbrough receive value for money.

13. To assist the Overview and Scrutiny Board in the call in process, the Mayor and appropriate Council officers, will be present at the meeting. The Mayor and officers will explain the reasons and rationale behind the report and the decision that was made. The Member who initiated the call in will also be present to explain their views and concerns in respect of the decision.

14. A copy of the procedure to be followed at the meeting is attached at **Appendix 2**.
15. Having considered the submitted information, the Overview and Scrutiny Board has the following courses of action available:
 - i. To refer the decision back to the Executive for reconsideration. In that case, OSB should set out in writing the nature of its concerns about the decisions.
 - ii. To determine that it is satisfied with the decision making process that was followed and the decision that was taken by the Executive. In that event, no further action would be necessary and the Executive decision could be implemented immediately.
 - iii. Request that the decision be deferred (adjourned) until the Overview and Scrutiny Board has received and considered any additional information/evidence required to make a decision with regard to the Call-In from other witnesses not present at the committee. (The Committee need to clearly identify the relevant issues that need to be given further consideration and whether there are any specific time constraints or other implications affecting the proposed implementation of the decision.)
 - iv. Take no action in relation to the Called-In decision but consider whether issues arising from the Call-In need to be added to the Work Programme of any existing or new Overview and Scrutiny Standing Panel/OSB. (The Committee need to clearly identify the issues to be added to the Work Programme.)
 - v. If, but only if (having taking the advice of the Monitoring Officer and/or the Chief Finance Officer), the Committee determines that the decision is wholly or partly outside the Budget and Policy Framework refer the matter, with any recommendations, to the Council after following the procedure in Rule 8 of the Budget and Policy Framework Procedure Rules. Only in this case is there a continuing bar on implementing the decision.
16. In the event that the decision is referred back to the Executive, a further meeting of the Executive would be arranged within ten further working days. The Executive would then make a final decision in the light of any recommendations made by OSB.
17. Where the recommendations of OSB are not accepted in full by the relevant Executive body, the body should notify the OSB of this and give reasons for not accepting the recommendations.

BACKGROUND PAPERS

18. The following background papers were used in the preparation of this report:
 - Middlesbrough Council's Call-In Procedure.
 - Report to Executive – 27 October 2020.

Contact Officer:

Chris Lunn
Democratic Services Officer
Democratic Services
Tel: 01642 729742 (direct line)
E-mail: chris_lunn@middlesbrough.gov.uk