

EXECUTIVE

A meeting of the Executive was held on Wednesday 17 January 2024.

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

PRESENT BY INVITATION: Councillor M Storey

ALSO IN ATTENDANCE: Suki Binjal (MIIAB), Chris Buss (MIIAB), Mark Edgell (LGA Regional Lead), Wallace Sampson (MIIAB Chair)

OFFICERS: D Alaszewski, C Benjamin, S Bonner, G Field, A. Glover, C Heaphy, R Horniman, A Hoy, D Middleton, E Scollay and J Tynan

APOLOGIES FOR ABSENCE: None.

23/54 **DECLARATIONS OF INTEREST**

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

23/55 **MINUTES - EXECUTIVE - 20 DECEMBER 2023**

The minutes of the Executive meeting held on 20 December 2023 were submitted and approved as a correct record.

23/56 **FIRST QUARTERLY REPORT OF THE MIDDLESBROUGH INDEPENDENT IMPROVEMENT ADVISORY BOARD**

The Middlesbrough Independent Improvement Advisory Board presented a report for Executive's consideration.

The Mayor invited the Chair of the Board to present the report.

The Board's first report set out the background to its appointment, a summary of activity to date and a forward view on the future focus the Council should have in its improvement journey.

In September 2023 the Council appointed a discretionary Independent Improvement Board. Comprised of the following members:

Wallace Sampson (OBE) - Local authority CEO (Chair)
Ros Jones (CBE) - Unitary local authority Mayor / Leader
Suki Binjal - Unitary local authority Monitoring Officer
Chris Buss - London Borough and Unitary local authority Chief Finance Officer
Mark Edgell - LGA Regional Lead

The Board's role was to provide oversight, support and challenge to the Council's improvement and transformation journey, with particular focus on ensuring compliance with the Council's Best Value Duty under the Local Government Act 1999, notably:

- Cultural and governance issues, including those identified through previous CIPFA and previous, and any future, external auditor reports.
- Financial sustainability, including a balanced medium-term financial strategy aligned to the Council's Corporate Plan.

The Board also oversaw progress by the Council towards implementing the actions arising from the Section 24 Statutory Recommendations of the External Auditor, dated 21 August 2023 and presented to Council on the 18 September 2023.

The September 2023 Council report set out that the Board would report its views on progress to Executive in January 2024 and would provide a further update to Council three months after that. The Board's first report was appended to the report.

In summary, the Chair of the Board identified that there had been improvements in relationships since the Best Value Notice. It was also recognised that changes to culture took time. There were still concerns about the speed Member enquiries were dealt with.

While the Board were confident the Council had robust plans to address its financial issues and to achieve its transformation aspirations, but there was a degree of urgency required to ensure this was achieved.

The Mayor thanked the Middlesbrough Independent Advisory Board for their report.

NOTED

23/57

2024-25 BUDGET AND MTFP – APPLICATION FOR EXCEPTIONAL FINANCIAL SUPPORT

The Mayor presented a report for Executive's consideration.

The Council was required to set a legally balanced budget for 2024/25 by the statutory deadline of 11 March 2024. This was the responsibility of all Council Members. At its meeting on 20 December 2023, Executive considered an update report in relation to progress made in developing the 2024/25 Budget and MTFP for the period 2024/25 to 2026/27.

The report identified that, despite substantial work undertaken by the Leadership Management Team, the Elected Mayor and the Executive to identify savings and income growth proposals sufficient to balance the 2024/25 budget, a shortfall of £6.279m remained for 2024/25.

Further gaps of £1.596m for 2025/26 and £0.305m for 2026/27, equivalent to a cumulative budget gap of £8.180m were also reported. The draft savings and income growth proposals that were subject to consultation totalled £14.038m in 2024/25. This was equivalent to 11% of the 2023/24 net budget of £126.354m and was of significant scale and challenge for Middlesbrough Council.

These savings rose by a further £5.083m in 2025/26 and £1.967m in 2026/27, presenting a cumulative savings plan of £21.088m by the end of 2026/27. It was also proposed to levy a total Council Tax increase of 4.99%, comprising 2% on the Adult Social Care Precept and 2.99% on general Council Tax. It was possible for the Council to seek authorisation from the Department of Levelling Up and Communities to waive the referendum limit to levy a higher Council Tax as part of its application for Exceptional Financial Support, but this course of action was not proposed.

Executive was advised if the Council was unable to agree and set a legally balanced budget the s151 Officer was required by law to issue a s114 Notice under the provisions of the Local Government Act 1988. The implications of issuing a section 114 included no new expenditure being permitted, except for funding statutory services, including safeguarding vulnerable people, at minimum level as well as existing commitments and contracts would continue to be honoured.

ORDERED that:

- 1. Executive approve that an application for Exceptional Financial Support (EFS) be made by the Chief Executive and Director of Finance (s151 Officer) to the Department for Levelling Up Housing and Communities (DLUHC) in order to finance forecast budget deficits and enable a balanced budget to be set for 2024/25 as required by statute.**
- 2. Executive delegate authority to the Chief Executive and Director of Finance to negotiate the quantum and terms of the application in consultation with the Elected Mayor and Executive Member for Finance and Governance**

OPTIONS

Not to approve the application for Exceptional Financial Support (EFS). If an application for EFS was not approved, then the s151 Officer will be required to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988 as soon as practically possible. This was not recommended for the reasons set out in paragraphs 4.17 to 4.36 of the report.

REASONS

The reasons for the proposed decision were detailed in the report.

23/58

LEVELLING UP PARTNERSHIP

The Mayor advised Executive that, while there was a level of frustration around this issue, a bid had been made to the Department for Levelling Up, Housing and Communities.

There had, however, been an agreement that Middlesbrough's bid would be de-coupled from another bid so that progress could be made on this matter.

NOTED

23/59

TREE POLICY

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

The previous Tree Policy was adopted by the council in 2016 and further updated in 2021. The tree policy covered the management of Trees in Middlesbrough and gave advice to residents on dealing with all Arboricultural issues and in turn dealing with any issues that may arise with trees.

The existing Tree policy had been in use for three years and was important that a review was conducted to ensure it remained effective/compliant with industry best practice. The policy review looked at current practices, changes in legislation to ensure they were all current and still relevant to the policy. It also looked at any ambiguities from the previous policy and clarified the council position. There was also an important change to the policy in that the previous point 55 (exceptional circumstances) had been removed. The final decision in relation to any works requested to any given tree would rest with Middlesbrough Council's Area Care officers. The route for any appeal would be through Middlesbrough Council's Complaints procedure.

The proposed revised Tree Policy now also took into consideration any advancements in technology not included in the previous version, i.e., solar panels and modern telecommunications. Policy amendments were listed in the report. Section 26 was a new section in relation to tree planting considerations.

Section 56 (exceptional circumstances) had been removed so that it did not compromise the Executive Member's position. Members of the public would still be given the right of appeal; however, they would now be advised to approach Middlesbrough Council's Complaints Procedure for any such disputes.

ORDERED that Executive approve Middlesbrough Council's revised Tree Policy (amended November 2023).

OPTIONS

To remain status quo. This was not an option, as not having a Tree Policy in place would place Middlesbrough at serious risk and could result in target setting opportunities could be missed.

REASONS

The Tree Policy had been reviewed and subsequently amended to ensure it remains in line with legislation, best practice and offered clear concise guidance to all users.

The previous tree policy identified that where a dispute arose against a decision of the Arboriculturist, the matter would be referred to the Executive Member.

The correct approach would be for the matter to be dealt with through the Council's complaints process if the person is dissatisfied, thereby distinguishing the separation of powers.

23/60

CTR SCHEME 2024-25

The Executive Member for Finance and Governance presented a report for Executive's consideration.

The report set out the proposed Council Tax Reduction (CTR) scheme (sometimes referred to as Council Tax Support) for 2024/25. Each Billing Authority in England had a statutory requirement to design and locally fund a Council Tax Reduction scheme no later than 11 March each year, which would then be approved by a full Council decision.

CTR was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme that was administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction, the Government placed the duty to create a local scheme for working age claimants with Billing Authorities.

Middlesbrough Council, as the billing authority, has a statutory requirement to revise or design and fund a CTR scheme by no later than 11 March each year which is approved by a Full Council decision.

It was proposed that the current income-banded scheme be retained for 2024/25 noting the proposed amendments. It was also proposed the scheme income bandings were increased in line with inflation.

The CTR scheme provided for income band ranges to be increased "by the appropriate level of inflation decided by the council". It was therefore proposed to adjust the income band ranges for 2024/25 to reflect the inflation increase applied to state benefits and thereby maintain the level of support for applicants.

AGREED that Executive endorse the Council Tax Reduction (CTR) scheme for 2024/25 and refers it to Council for approval.

OPTIONS

The options for this decision were detailed in the table at paragraph 22 of the report.

In summary:

Option 1 was to leave the existing scheme in place. This was not recommended as the existing scheme counted allowances for childcare costs in Universal Credit as income, disadvantaging some people who undertook paid employment.

Option 2 was proposed to Executive.

Options 3 and 4 was to enhance or increase the scheme to a 95% or 100% maximum discount scheme respectively. This was not recommended as the associated cost (c£3.15 million for a 95% scheme and c£4 million for a 100% scheme) was disproportionately high. The increased cost to the General Fund budget was a significant pressure that was unaffordable given the Council's current financial position.

Option 5 provided an uplift in the amount of CTR awarded for those in the lower discount brackets, whilst maintaining a maximum support level of 90%. The c£442k cost of this option, however, was also considered to be unaffordable in the Council's current financial situation.

REASONS

The reasons for the decision were detailed as part of the report.

23/61

DRAFT LOCAL PLAN

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

The report sought endorsement of the Draft Local Plan, which set out the Council's emerging planning policy framework that would guide development and decisions on planning applications, covering the period 2022 – 2041. Critically, it set out the housing allocations where new housing development was proposed to take place, alongside other planning policies for: housing; economic growth; green and blue infrastructure; physical, social and environmental infrastructure; the historic environment; and design/placemaking. Once agreed, the Draft Local Plan would be subject to public consultation, following which the plan would be finalised and subject to further statutory consultation. It would then be submitted to the Government for independent examination ahead of its adoption.

Under the provisions of the Planning and Compulsory Purchase Act 2004, the Council was required to prepare a statutory development plan, otherwise known as a Local Plan, for the borough that set out the policies and land allocations to guide development in the area. The Local Plan was a strategic document that would help facilitate the right type of development the Council wished to deliver to achieve its ambitions and support the long-term financial sustainability of the borough.

In September 2022, the Council agreed to commence work on a new Local Plan for the borough. The purpose of the review was to ensure all of the Council's planning policies were up-to-date, and to bring them together into a single document. The review excluded Minerals and Waste policies, which were adopted jointly across the Tees Valley in 2011 and would be reviewed jointly by the Tees Valley Authorities separately to the Local Plan review. The review also excluded the adopted Neighbourhood Plans, which were prepared at the neighbourhood level and remained the responsibility of their respected Neighbourhood Forums or Parish Councils.

AGREED that Executive endorses the Draft Local Plan for the purpose of public consultation.

OPTIONS

Not to endorse the Draft Local Plan. This would mean the Council would not progress the Local Plan review as agreed previously by the Council and would retain existing out-of-date policies for longer. This would, in turn, present more challenges in achieving the type and quality of development that would help the Council realise its ambitions.

REASONS

It was a statutory requirement to prepare a Local Plan that identified land for development and could be used as a basis for determining planning applications.

The Local Plan was critical for delivering some of the Council's key strategic objectives, in particular population retention, increasing the housing supply and supporting economic growth. The development it would help secure would make a positive contribution to the financial sustainability of the Council. Whilst the Draft Local Plan stage was not in itself a statutory requirement, it would enable the Council to undertake necessary public consultation and progress to subsequent stages of plan preparation. An up-to-date Local Plan would also help the Council maintain control of development in the borough.

23/62

NEWHAM HALL - DISPOSAL OPTIONS UPDATE - PART A

This item was **DEFERRED** for further consideration to be given to the report.

23/63

ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.

None.

17 January 2024

All decisions, other than those relating to agenda item 5, 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.

The decision relating to agenda item 5, "2024-25 Budget and MTFP – Application for Exceptional Financial Support" will come into force immediately as it was considered under urgency provisions.