

EXECUTIVE

A meeting of the Executive was held on Wednesday 22 May 2024.

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

ALSO IN ATTENDANCE: Councillor M McClintock

OFFICERS: C Benjamin, S Bonner, M Canavan, G Field, C Heaphy, A Hoy, C Jones, E Scollay and J Tynan

APOLOGIES FOR ABSENCE: None.

23/108 **DECLARATIONS OF INTEREST**

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

23/109 **MINUTES - EXECUTIVE - 1 MAY 2024**

The minutes of the Executive meeting held on 1 May 2024 were submitted and approved as a correct record.

23/110 **2025/26 BUDGET AND MTFP APPROACH AND TIMETABLE**

The Executive Member for Finance and Governance submitted a report for Executive consideration.

The purpose of the report was to seek approval of the budget development approach and timetable for the 2025/26 budget and MTFP for the four-year period 2025/26 to 2028/29.

Each year the Council engaged in an annual financial planning and budget setting cycle that aimed to achieve a balanced annual revenue budget and capital programme, set the council tax, and set out the capital and treasury management strategy. A high-level summary of the financial planning cycle was summarised in Table 1 with a more detailed timetable set out in Appendix 1 on page 11 of the document pack.

The annual financial planning cycle involved the periodic review and updating of financial planning assumptions in the light of new information and data at key stages of the financial year in order to inform the Council's budgetary control, financial forecasting and medium to long term financial planning.

During the 2023/24 financial year, the Council started to develop its plans for how it would improve, modernise, and transform the delivery of its services for 2024/25 and over the medium term to 2026/27. This work was undertaken in order to meet the significant financial challenge that was identified in the updated 2024/25 MTFP, and in order to respond to the statutory recommendations made by the External Auditor in August 2023.

The Mayor thanked everyone for their involvement in the report and expressed the desire that the next budget setting process should be as cross-party as possible.

ORDERED

That Executive approves the proposed budget development approach and the timetable for the 2025/26 budget setting and MTFP for the period 2025/26 to 2028/29 as summarised in Table 1 and detailed in Appendix 1.

OPTIONS

Given that the Council was required to operate robust and meaningful financial planning arrangements, there was no practical alternative to setting out its financial

planning timetable.

REASONS

The forward planning for, and setting of, a robust budget and balanced MTFP enabled the Council to provide and deliver services within its overall corporate and financial planning framework. The MTFP underpinned the delivery of the Council's vision for Middlesbrough to be a thriving, healthier, safer, and more ambitious place where people want to live, work, invest, and visit, and where we will support our residents to live fulfilling lives, to ensure that our communities thrive.

23/111

CULTURAL TRANSFORMATION OF THE COUNCIL

The Executive Member for Finance and Governance submitted a report for Executive consideration.

The purpose of the report was to outline and recognise the work that the Council had done to progress its cultural transformation and to describe the Council's strategic approach to partnership working. The report was for information only and Executive was asked to note its contents.

The Council has a statutory duty to deliver Best Value in all that it does. Effective approaches to culture and partnerships and community engagement were two of the theme's government had identified as contributing towards an authority evidencing its compliance with the Best Value Duty. The report set out the steps the Council had taken and planned to take in relation to those two themes.

The culture of Middlesbrough Council was determined by its shared values, ethics and beliefs, how decisions were made, as well as how elected members and officers behaved, interacted and carried out their roles. A strong organisational culture was a characteristic of a well-functioning council.

A further report on Partnerships would be presented following this report and regular reports on transformation would be presented as part of the transformation journey.

A conversation took place regarding the importance of cultural shift that would enable successful strategy.

NOTED

OPTIONS

No other options were submitted as part of the report.

REASONS

As the report was for information only there were no decision reasons submitted as part of the report.

23/112

DEVELOPING A NEW NUNTHORPE COMMUNITY FACILITY

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

The report sought Executive approval to proceed with the works required to develop a planning application for a new community facility in Nunthorpe, seek planning approval and to proceed with discussions of a 25-year lease with the preferred operational management organisation.

There had been a long-standing requirement for new community space to be developed within the Nunthorpe area. The need for such space had been communicated by residents, community groups and local elected members for some time.

In 2020, Middlesbrough Council, in conjunction with community representatives developed a

series of commitments that were intended to ensure that the local community were engaged in the area's future and would ultimately lead to the development of a Neighbourhood Plan. The need for a new community facility was clearly communicated as a priority for the local community.

As part of this work, several proposals came forward to develop new community space in different parts of Nunthorpe. One proposal identified a site owned by the Council adjacent to the new GP Surgery off Stokesley Road, and the other identified an opportunity to build on the existing Nunthorpe and Marton Playing Fields Association facilities off Guisborough Road.

A report was approved by Executive in September 2022, which identified the need for community consultation, and a focus on identifying the most appropriate location for the facility. The report stated the Council would manage the design and build of the new facility, but a process would also need to be undertaken to appoint an organisation to run it. As there was no revenue budget available from the Council to support the running of the facility, the selected organisation would have needed to demonstrate a viable, sustainable business plan.

It was commented that community groups were in a better position to run the facility as they knew more about community needs. The Mayor commented he was pleased the project was making progress. A Member for Nunthorpe Ward commented that Nunthorpe Parish Council was in a position to support the new facility without added pressure on Council finances.

ORDERED

That Executive approve progress to the next stage of the project, which included:

- 1. the design process and site surveys for a planning application submission;**
- 2. a tender process to identify a preferred developer partner;**
- 3. securing planning approval; and,**
- 4. continuing discussions with preferred operational management organisation and to develop 25-year lease agreement.**

OPTIONS

There were two alternative options submitted as part of the report:

- 1. to proceed with an alternative operator; and,**
- 2. not to develop a community facility in Nunthorpe.**

It was believed that both options would not meet the identified needs for the community and/or would be a revenue risk and reputational risk to the Council.

REASONS

The Council had undertaken an option appraisal process to identify the most appropriate location for a new community facility in Nunthorpe, including a public consultation. The option appraisal identified the location adjacent to the new GP Surgery.

Concept designs had been completed followed by a process to identify a preferred operational management organisation.

The project was ready to proceed to the next stage.

23/113

EXCLUSION OF PRESS AND PUBLIC

The Monitoring Officer explained that part of the report was potentially exempt, namely the contents of Appendix 1 which contained details about TeesAMP's purchaser and purchase price. The Monitoring Officer had reviewed Appendix 1 and deemed its contents to be potentially exempt against the Council's Access to Information procedure rules. It was explained that that Executive needed decide if disclosure of the information contained in Appendix 1 was in the public interest. It was also explained that if Executive deemed the information to be exempt, it should be confident they could make the decision without reference to the exempt information.

ORDERED that the information contained in Appendix 1 of the report be deemed exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information. Executive was confident it could make the decision without making reference to the exempt information in Appendix 1 without the need to exclude Press and Public from the meeting.

23/114

SALE OF TEESAMP

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

The report sought Executive approval to dispose of the Council's freehold interest in TeesAMP 1 & 2 in accordance with the Council's Asset Disposal Process.

The Medium-Term Financial Plan (MTFP) Refresh 2024/25 to 2026/27 report agreed by Executive on 23rd August 2023, regarding the Council's overall financial position, set out the challenges faced in setting a balanced budget for 2024/25 and beyond.

The Review of Capital Receipts Strategy 2023/24 report, agreed by Executive on 21st November 2023, regarding the Flexible Use of Capital Receipts, set out the importance of securing capital receipts from asset sales. These could be used to support the Council's financial position in one of three ways:

- a) to fund investment in projects that would either deliver ongoing revenue savings or deliver transformation in public service delivery through cost and/or demand reduction in accordance with Government regulations governing the Flexible Use of Capital Receipts;
- b) to repay the Council's debt and reduce the annual costs of repaying principal and/or interest on such debt; and,
- c) to invest in infrastructure through the capital programme.

The 2024/25 budget and MTFP, Council Tax Setting and Treasury Management report approved by Council on 8 March included a plan to achieve capital receipts totalling £19.7m in 2024/25 rising to £44.7m by 2026/27 in order to finance the capital programme (£18m), transformation programme and redundancies (£26.7m).

The Asset Review report agreed by Executive on 21st November 2023 recommended a significant programme of asset sales be brought forward, in addition to the existing pipeline of land and properties being brought forward for disposal. The key asset listed for sale within the report was TeesAMP.

The Asset Disposal Business Case was included as Appendix 2 of the report.

Members discussed that while TeesAMP was an excellent initiative a change in its focus was required and that the sale would be a significant contributor to the transformation agenda. The Mayor thanked all involved in the report's creation.

ORDERED That Executive:

1. **Approves the sale of TeesAMP (1 & 2) to the buyer detailed in the exempt Appendix (1) of the report for the sum detailed in the exempt Appendix (1) of the report.**
2. **Delegates the agreement of any final revisions to the price to the Director of Finance.**

OPTIONS

Retain The Site Within Council Ownership

The assessment made through the Council's recent Asset Review identified that the site had significant commercial sale potential, and that the value would be maximised by securing a sale whilst fully occupied with strong lettings in place. The Council did not traditionally invest sufficient funds in the ongoing renewal of commercial properties to retain this level of value for an extended period. Retaining the site within

Council ownership would enable the retention of the annual rental income but would miss the opportunity to secure the significant capital receipt. This was required to deliver the Council's MTFP, which underpinned the achievement of the Council Plan, and risked the loss of value experienced through lack of ongoing investment.

Retain The Site Within Council Ownership Utilising Alternative Management Arrangements

The potential existed to seek alternative management arrangements for TeesAMP that could have potentially addressed the lack of ongoing investment. This could not be achieved without foregoing a proportion of the annual revenue income. This would still have missed the opportunity to secure the significant capital receipt needed to deliver the Council's MTFP and the Council Plan.

REASONS

Disposal of TeesAMP as proposed would have generated a significant capital receipt that was critical to the delivery of the MTFP.

23/115

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

None.

All decisions 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.