

EXECUTIVE

A meeting of the Executive was held on Wednesday 16 July 2025.

PRESENT: Mayor C Cooke (Chair) and Councillors I Blades, T Furness, P Gavigan, L Henman, J Rostron, P Storey and N Walker

PRESENT BY INVITATION: Councillors L Young

OFFICERS: C Benjamin, S Bonner, B Carr, G Field, L Grabham, R Horniman, A Hoy, A Humble and E Scollay

APOLOGIES FOR ABSENCE: Councillor J Ryles

25/9 **DECLARATIONS OF INTEREST**

The Mayor and Executive Members expressed thanks to the outgoing Executive Director of Children's Services for his hard work and dedication. Members commented that services offered to Middlesbrough's children and young people were in a stronger position due to his tenure.

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

25/10 **MINUTES - EXECUTIVE - 11 JUNE 2025**

The minutes of the Executive meeting held on 11 June 2025 were submitted and approved as a correct record.

25/11 **PROGRESS AGAINST CONTINUOUS IMPROVEMENT PLAN**

The Mayor submitted a report for Executive Approval the purpose of which was to set out the expanded Continuous Improvement Plan. The purpose of the plan was to ensure the Council could articulate its ongoing commitment to Continuous Improvement and capture activity that had been undertaken to deliver that commitment.

In March 2025, Full Council considered the final reports of both the Local Government Association (LGA) Corporate Peer Challenge team and the Middlesbrough Independent Improvement Advisory Board (MIIAB). Both those reports were hugely positive, recognising the improvements the Council had made over the previous two years on its improvement journey.

They also contained a series of recommendations, designed to ensure the Council maintained an outcome focussed commitment to the principles of the continuous improvement journey as it transitioned from a period of intervention.

A copy of the live Continuous Improvement Plan was appended to the report and its status as of June 2025. Since the plan was agreed at Full Council in March 2025, it had been expanded to reflect actions arising from the External Assurance review undertaken by Grant Thornton as part of the Exceptional Financial Support (EFS) application. The plan also included an action arising from the Care Quality Commission inspection of Adult Social Care services.

There were currently 47 actions within the live plan. Of those 47, 16 had been completed to date with the remaining in progress. This was a live plan and a real commitment to continuous improvement. As such, even where actions had been completed, their impact would continue to be tracked, and further activity may need to be identified to ensure the actions had the required impact and / or to ensure the Council continued to proactively address the issues within the scope of the recommendations.

The Mayor commented that a LGA peer challenge follow up would be happening on the 12 and 13 November 2025. The Mayor also stated this matter would be part of his update to the

Overview and Scrutiny Board on 30 July 2025.

OPTIONS

The Council could choose to maintain multiple documents capturing continuous improvement activity; however, this would be an inefficient approach and would reduce Member's ability to see a comprehensive overview of the Council's ongoing activity in relation to continuous improvement.

ORDERED that the updated Continuous Improvement Plan be approved.

AGREED that the progress made in delivering the commitments within the Continuous Improvement Plan be noted.

REASONS

Having a Continuous Improvement Plan that captured all strategic Continuous Improvement activity, provided Members and Officers with a comprehensive overview of improvement activity within the organisation as part of a framework of assurance reports. Agreeing the revised content of the plan would ensure the Council was tracking this type of activity within one document. Further revisions to the live plan would be identified as necessary going forward.

25/12

MIDDLESBROUGH PRIORITIES FUND

The Mayor submitted a report for Executive consideration. Proposals for funding from the Middlesbrough Priorities Fund from Directorates were subject to completion of a pro-forma outlining the proposal and detailing both which of the Council Plan objectives and scheme criteria the proposal linked to. All proposals received from Directorates were added to proposals received from Executive Members and were collated into an overall 'log' spreadsheet which was assessed by the Mayor, with support from the Chief Executive, to determine which were to progress for approval by Executive within each tranche and which measures were either of lower priority or could be funded by other means.

As signalled in the Executive report of 30 April 2025, following this prioritisation the decision to implement the selected measures, or not, would be taken by Executive. Once implemented the measures would be tracked as part of the Council's performance management framework, including measurement of the impact and outcomes. As detailed in the Middlesbrough Priorities Fund report to Executive on 30 April 2025, a Middlesbrough Priorities Fund of £4.367m for 2025/26 only was established and approved by Full Council on 19 February 2025 as part of the 2025/26 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report. The intention of the Fund was to deliver high impact, one-off projects for the benefit of the communities in Middlesbrough. A breakdown of the proposals submitted to date were detailed at paragraphs 4.3 to 4.18 of the report.

OPTIONS

For no further proposals to be submitted. However, the absence of any other proposals would mean that the Fund was not utilised to its maximum potential provided for in the 2025/26 Budget approved by Council on 19 February 2025.

ORDERED that the second tranche of proposals totalling £1.310m as detailed in the report, be funded from the Middlesbrough Priorities Fund.

AGREED for it be noted if the proposed schemes included in the report were approved, the unallocated balance remaining in the Fund would be £2.142m.

REASONS

This would enable effective use of the Middlesbrough Priorities Fund budget allocation set aside for 2025/26 and ensure Best Value was obtained.

25/13

NUNTHORPE COMMUNITY CENTRE – NEXT STEPS

The Executive Member for Development submitted a report for Executive consideration the purpose of which sought Executive approval for the proposed terms of the lease agreement

and the commencement of construction of the Community Centre.

In 2024, Executive considered the Developing a new Nunthorpe Community Facility report that provided an update on the progress on the scheme. That report stated that an option appraisal had been undertaken, which identified the most appropriate location for the Community Centre as being the Council owned land adjacent to Nunthorpe Surgery on Stokesley Road. That report further advised that a consortium led by Nunthorpe Parish Council with Nunthorpe Community Council and the Nunthorpe Institute had been identified as the preferred operator of the Community Centre following a formal selection process.

Since the appointment of the Management Consortium several workshops had been held with Council officers to agree minor variations from the layout that was used during the option appraisal process to identify the preferred operator. The variations permitted were limited to maintain the integrity of the option appraisal process. A detailed planning application was submitted in March 2025 for the construction of a single-story building using traditional methods of construction and associated external works comprising car parking, footpaths and minimal landscaping. The building would have two multi-purpose activity rooms, toilets, stores, kitchen and office space access from a central circulation area. The proposed layout and elevation plans were attached as Appendices one and two of the report.

A detailed planning application was heard at Planning Committee on 3 July 2025 and Members approved the development in line with the officer recommendation.

The Executive Member proposed an amendment to the recommendations of the report, specifically recommendation C. The proposed amendment included the Executive Member for Development as part of the delegation for variations between Heads of Terms and the main lease.

OPTIONS

An option appraisal was previously undertaken, which considered an alternative site for the Community Centre, but Stokesley Road was identified as the preferred location.

Expressions of interest were also sought to identify a preferred management organisation. Three organisations submitted business cases, which were scored against pre-determined scoring criteria, with the consortium led by Nunthorpe Parish Council with Nunthorpe Community Council and the Nunthorpe Institute being identified as the preferred operator.

The scheme had now been submitted for Planning Approval, and the tenders had been returned, but Executive could determine not to approve the start of construction of the Community Centre.

Failure to proceed with the construction of the Community Facility would not meet the identified needs of the Nunthorpe community and would be a reputational risk for the Council.

ORDERED that Executive

- 1. Approve the proposed amendment to recommendation C.**
- 2. Approve the proposed terms of the 25-year lease agreement with a consortium led by Nunthorpe Parish Council for the management of the facility.**
- 3. Approves the authority to enter contracts and commence construction of the Community Centre; and,**
- 4. Delegates authority for the Director of Regeneration, Section 151 Officer and Executive Member for Development to jointly agree any variations between the Heads of Terms and the main lease.**

REASONS

The planning application for the Community Centre scheme was submitted in March 2025 in accordance with the recommendations of the Developing a new Nunthorpe Community Facility report that was approved on the 22 May 2024.

The Executive Member for Environment and Sustainability submitted a report for Executive consideration. The purpose of the report was to inform Executive of statutory changes to the household waste collection service, namely:

- Weekly food waste collections service to be implemented from 31st March 2026.
- Fortnightly paper and card recycling collection to be implemented from 31st March 2026.
- Fortnightly microfilm plastics collection to commence from 31st March 2027.

The report also informed Executive of the capital and revenue funding required to implement the statutory services above and the proposed funding mechanisms to provide this.

The Council was required to commence with weekly food waste refuse collections by 31st March 2026. DEFRA had recently distributed capital funding to 251 local authorities. With Middlesbrough initially receiving funding from DEFRA for the purchase of receptacles (which were to be provided to households) and vehicles.

The details of that funding were:

- £930,834 (£127,071 for kitchen caddies, £292,263 for kerbside caddies and £511,500 for vehicles).
- Additional funding of £145,160 was then received from DEFRA (which could be allocated to both caddies and vehicles as required), totalling £1,075,994
- A Transitional Resource Grant had also been received of £343,617 from DEFRA to support the delivery of introducing weekly food waste collections (for container delivery to households, project management, procurement and communications).
- DEFRA had yet to confirm if any additional revenue funding would be provided. To begin implementation, it was assumed that DEFRA expected the Council to use the Extended Producer Responsibility (EPR) grant (detailed in paragraph 4.18 of the report) to cover any remaining costs.

To meet the statutory food waste collection implementation date of 31st March 2026, the Council had conducted a joint procurement exercise with Redcar and Hartlepool Councils to purchase the required vehicles to ensure best value and timely delivery.

Due to expected timescales for vehicle deliveries the new food waste service would commence implementation from 31 March 2026.

Each household would be provided with the appropriate food waste receptacles (an internal kitchen five litre caddy and an external 23 litre caddy). Larger households would be able to request to order more than one external caddy. It was proposed that the Council would not charge residents for additional and replacement / stolen caddies. It was proposed that the Council would provide bin liners to residents free of charge for the internal caddies for approximately one year.

Members discussed the possibility of greater public awareness on this matter. Members were advised that Environment Education Officers were being recruited to undertake this and that members of the public were free to attend any public information sessions that were taking place in their local communities. In terms of food caddies being resistant to rodents, it was clarified the food caddies were as robust as they could be and were used in other Council areas. It was also stated that increased pest control would help with this issue if the need arose.

OPTIONS

As the Council was statutorily required to comply with the DEFRA legislation no other options were put forward as part of the report.

AGREED that Executive:

1. **Notes the statutory changes to the household waste refuse collection service, namely:**
 - **Weekly food waste collections service to be implemented from 31st March 2026.**
 - **Fortnightly paper and card recycling collection to be implemented from 31st**

March 2026.

- **Fortnightly microfilm plastics collection to commence from 31st March 2027.**

2. **Notes the estimated capital and revenue funding required to implement the statutory services above, and the proposed methods of funding the required costs.**

REASONS

The Department for Environment Food & Rural Affairs (DEFRA) had made the following legislative changes mandatory:

- **A weekly household food waste collections service to be implemented from 31st March 2026.**
- **A separate fortnightly household collection service for paper and card to be implemented by 31st March 2026.**
- **The fortnightly collection of microfilm plastic from households by 31st March 2027.**

25/15

PROPOSED CHANGES TO THE VERITAU STRUCTURE

The Executive Member for Finance submitted a report for Executive consideration the purpose of which was to seek Executive approval to join a new company, limited by guarantee, for the provision of internal audit and counter fraud services, as per the attached business case at Appendix one of the report.

The report also sought Executive's approval for the payment of a dividend by VTV, which would fund Middlesbrough's subscription to VPS. The previous company will then be wound up, as the other member Redcar and Cleveland Borough Council has already moved over to the new arrangement. A Director from the Council would need to be appointed to VPS in a similar way to that already in place for governance purposes with VTV. A senior officer would also need to be appointed to the VPS members' committee.

VTV operated as a Teckal company (in accordance with the Public Contracts Regulations 2024 – as detailed in paragraph 4.7 of the report) and was currently owned by Middlesbrough Council, Redcar and Cleveland Borough Council (RCBC) and Veritau Limited. Veritau Limited was jointly owned by North Yorkshire Council (NYC) and the City of York Council (CYC) and was also a Teckal company. VTV provided internal audit and counter fraud services to the Council, reporting the outcomes of this work to the Leadership Management Team and Audit Committee. The work of VTV therefore formed a key part of the Council's overall framework of governance, control, and risk management.

The business case for the establishment of VPS was attached as Appendix one of the report.

The proposal was to join a new Teckal compliant company, limited by guarantee, which would be jointly owned by the councils who bought services from it (once the Council joined VPS, its members would be NYC, CYC, RCBC, Leicester City Council, Cherwell District Council and Middlesbrough Council). The formation and operation of the new company would provide a sustainable business model, enabling VPS to continue growing and allowing further member authorities to be admitted over time, as they bought services from VPS, whilst protecting its Teckal status.

The Mayor sought, and received, clarification that the Council still had the option to purchase more time that the contract specified if necessary.

OPTIONS

Do Nothing – This was not considered to be viable as the Council's internal audit provider would not be allowed to grow its business, otherwise it would become Teckal non-compliant under the Procurement Act 2023. The Council would then need to re-procure the services currently provided by Veritau or bring the service in-house.

As such, the alternative option was not viable, and the proposal to join the new company, limited by guarantee, remained the most appropriate solution to ensure

continued Teckal compliance and growth. This was the preferred route for both Veritau and the Council.

ORDERED that Executive

- a) Approve the membership of Veritau Public Sector Limited, a company limited by guarantee, and the novation of the existing contract.
- b) Approve the payment of a dividend from Veritau Tees Valley Limited sufficient to fund the Council's subscription to the new company.
- c) Approve a special resolution to wind up Veritau Tees Valley Limited once the Council's membership of the new company is confirmed.
- d) Delegate the approval for the Council to enter into all other necessary agreements to participate in the new company to the S151 Officer.
- e) Approve the appointment of a director to the Board of the new company and a senior officer to the members' committee to oversee its governance arrangements and performance

AGREED that the Business Case for Veritau Public Sector Limited and the reasons for the changes in the Veritau structure and how these impacted on the Council be noted.

REASONS

The change in the structure of the company was necessary to allow new member local authorities to join Veritau going forward.

By the Council joining VPS for internal audit and counter fraud services, this would allow the previous provider VTV to be wound up. A similar decision had already been made by Redcar and Cleveland Borough Council; the other local authority who was a shareholder in VTV.

25/16

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

None.

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