

EXECUTIVE

A meeting of the Executive was held on Tuesday 16 February 2021.

PRESENT: A Preston (The Mayor) (Chair), Councillors D Davison, A High, C Hobson, D McCabe, M Smiles and A Waters.

PRESENT BY INVITATION: Councillors A Hellaoui, J Platt and J Thompson.

OFFICERS: S Bonner, G Cooper, R Horniman, A Hoy, A Humble, L Kelly, C Lunn, G Moore, S Reynolds, E Scollay and I Wright.

20/104 **DECLARATIONS OF INTEREST**

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

20/105 **MINUTES - EXECUTIVE - 19 JANUARY 2021**

The minutes of the Executive meeting held on 19 January 2021 were submitted and approved as a correct record.

20/106 **STRATEGIC PLAN 2021-24**

The Elected Mayor and the Chief Executive submitted a report for the Executive's consideration. Prior to consideration by Full Council on 24 February 2021, the purpose of report was to seek the Executive's endorsement of the proposed revised Strategic Plan for the period 2021-24.

On 16 December 2020, Full Council had agreed to retain the three simple and interrelated corporate strategic aims of People, Place and Business. Those were well-understood and remained responsive to the long-term issues facing Middlesbrough and to political direction. Full Council had also agreed to consult the public and other stakeholders on a set of nine revised strategic priorities to provide a greater focus for the remainder of the Mayor's term. The consultation ran between 17 December 2020 and 31 January 2021.

The proposed strategic priorities all received the majority support of respondents, as set out at the table contained at paragraph 14.

Appendix 1 of the submitted report set out a proposed revised Strategic Plan for the 2021-24 period. The plan now included:

- an introduction from the Mayor of Middlesbrough and the Chief Executive;
- the Council's strategic aims and its corporate values;
- progress to date;
- strategic priorities for 2021-24;
- delivery and outcomes; and
- further information.

Other matters previously outlined in the plan would be set out in a range of Directorate Plans to be developed for 2021/22.

OPTIONS

It was imperative that the Council effectively articulated and communicated an overarching plan to direct activity across Directorates towards the achievement of its strategic priorities.

The only other realistic potential decision would have been to leave the Council's strategic objectives unchanged on the assumption that they were sufficiently flexible to accommodate responses to COVID-19 and other issues affecting the Council during 2020. However, that was not correct and neither would it have represented an

appropriate response to COVID-19, which would clearly impact local communities and the business of the Council for some years ahead.

The only other feasible decisions therefore related to the structure of the document, and its horizon (i.e. reverting to an annual plan). It was strongly in the Council's interest to plan over the medium-term, in line with the indicative budgets over the period outlined by the Government. The proposed document achieved that while providing an appropriate level of detail for all audiences on the Council's planned activity over the period.

ORDERED

That the proposed Strategic Plan for 2021-24 be endorsed.

REASONS

To enable Full Council to consider a Strategic Plan for the 2021-24 period at its meeting of 24 February 2021 that responded to impacts of the COVID-19 pandemic and other significant changes to the Council's operating environment arising in the past year.

20/107

STRATEGIC PLAN 2020-23 - PROGRESS AT QUARTER THREE 2020/21

The Mayor and the Chief Executive submitted a report for the Executive's consideration. The purpose of the report was to provide the necessary information to enable the Executive to discharge its performance management responsibilities, setting out:

- a progress update against the 2020-23 Strategic Plan, summarising the actual and likely future impact of the COVID-19 pandemic on the Council's strategic objectives, where they were known at that stage;
- an update on the Council's Strategic Risk Register; and
- actions that the Council had taken and planned to take to address the issues raised.

The financial projections for Quarter Three were presented separately at the same meeting of the Executive. However, where performance had a significant impact on financial performance that was highlighted across both reports.

Paragraphs 12 to 60 set out in brief the key headlines from Quarter Three relating to the Council's current strategic priorities, including where available current estimates of the impact of COVID-19 and future plans.

ORDERED

1. **That the progress made in implementing the Council's Strategic Plan 2020-23 in Quarter Three 2020-21 and the ongoing and likely future impact of COVID-19 on strategic objectives, where they were known at that stage, be noted.**
2. **That in light of the above, the Council's updated Strategic Risk Register, at Appendix 1, be noted.**

REASONS

To enable the effective management of performance and risk in line with the Council's Local Code of Corporate Governance.

20/108

REVENUE BUDGET, COUNCIL TAX, MEDIUM TERM FINANCIAL PLAN AND CAPITAL STRATEGY 2021/22

The Elected Mayor and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to present the recommended Revenue Budget of £116,492,035, Council Tax increase of 2.75% (paragraphs 71 to 89), and Capital Strategy Report for 2021/2022 (paragraphs 125 to 136). Attached to the report were a number of appendices, which were listed at the end of the report.

Following on from the previous report, presented to Council on 16 December 2020, the report also provided a refreshed Medium Term Financial Plan (MTFP) for the period 2021/22 to

2023/24 to reflect the 2021/22 Local Government Finance Settlement (paragraphs 23 to 34).

The Medium Term Financial Plan update in the report was integrated with the £149.1 million Investment Strategy for Middlesbrough for the period to 2023/24, supported by £83.7 million of the Council's own resources. The updated Investment Strategy was shown in Appendix 5 of the submitted report.

The budget continued to support the Mayor's commitment to invest in Middlesbrough and transform service delivery for residents. It was intended that through the strategy the Council could achieve the challenging financial targets faced in the Medium Term Financial Plan period whilst ensuring that there was a minimum impact on the level of service delivered to the public.

ORDERED

1. That the following be endorsed:

- **The proposed budget strategy for 2021/22 as set out in paragraphs 35 to 70, and the proposed budget efficiency savings for 2021/22 (Appendix 1).**
 - **The budget requirement for 2021/22 to be set at £116,492,035 as detailed in Appendix 2.**
 - **Having taken into account the matters set out in Section 32 of the Local Government Act 1992 and the items set out within the report, the basic amount of Council Tax (Band D) for 2021/22 be £1,757.67 being a 1.99% increase in general Council Tax and an annual precept of 0.76% for Adult Social Care which had been continued by the Government to contribute towards the shortfall of funding for adult social care. In total that represented an increase of 2.75% in the basic amount of Council Tax for the whole of the Borough.**
 - **The actual amount of Council Tax (Band D) for areas without parish precepts (excluding Fire and Police) be set at £1,757.11.**
 - **The actual amount of Council Tax (Band D) for areas with parish precepts (excluding Fire and Police) be set at :-**

▪ Nunthorpe Parish	£1,761.41
▪ Stainton and Thornton Parish	£1,766.42
 - **The amounts of Council Tax for each category of dwelling be set in accordance with table 4 of Appendix 4 within the report.**
 - **The updated Investment Strategy for the period to 2023/24 as outlined in paragraphs 120 to 124 and detailed in Appendix 5.**
 - **The Capital Strategy Report (Prudential indicators, Investment Strategy and Minimum Revenue Provision) 2021/22 as outlined in paragraphs 125 to 136 and detailed in Appendix 6, and the Authorised Limit for external borrowing of £315 million for the Council for 2021/22 as set out in paragraph 135.**
- ### **2. That the following be noted:**
- **The refreshed Medium Term Financial Plan position for 21-24 set out in the report in paragraphs 90 to 119.**

REASONS

To enable the Council to meet its statutory responsibility to set a balanced revenue budget for the financial year 2021/22 and to ensure that a proper framework was in place for the medium term financial management of the Council.

The Executive Member for Finance and Governance and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to provide an overview

of the Council's financial position at Quarter Three 2020/21, including the projected effect of Covid-19 on the Council's finances.

As reported in previous reports, the Covid-19 pandemic was having a significant impact on the Council's financial position. Covid-19 financial pressures were being monitored separately from the normal non-Covid-19 financial position, and those were reported separately in paragraphs 44 to 72 of the submitted report.

The 2020/21 Revenue budget for the Council was £116,397,000. A revised senior management structure within the Council was implemented during Quarter One and the financial position was reported against that new structure. The Council's outturn position for 2020/21 for non-Covid-19 elements was projected to be an underspend of £294,000 (-0.25%). The split by Directorate was shown in the table above paragraph 8 of the submitted report.

That when added to the estimated Covid-19 pressures of £3.090m, detailed in paragraphs 44 to 72, resulted in a total projected outturn pressure at year end 2020/21 of £2.796m. That was a reduction in the total projected outturn pressure of £1.609m from the £4.405m reported at Quarter Two. The overspend in 2020/21 would be covered by the General Fund Reserve as approved by Council on 2 September 2020.

The detail of the variances was set out in paragraphs 10 to 42 of the submitted report. At Quarter Three, 35 areas were projected to be spent +/- £150,000 of the agreed budget.

ORDERED

- 1. That the 2020/21 revenue budget Quarter Three total projected outturn of £2.796m, representing a £294,000 (-0.25%) underspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2020/21 of £3.090m be noted, and the proposed actions to address this.**
- 2. That the proposed use of the General Fund Reserve, as approved by Council on 2 September 2020, to fund the total projected overspend in 2020/21 be noted.**
- 3. That the proposed revenue budget virements over £150,000 (Appendix 1) be approved.**
- 4. That the 2020/21 capital budget Quarter Three predicted outturn of £45.195m against a budget of £50.363m be noted, and the proposed revised Investment Strategy to 2022/23 at Appendix 2 be approved.**

REASONS

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.

20/110

GRESHAM HOUSING PHASE 2 - LONG TERM LEASE

The Executive Member for Regeneration and the Director of Regeneration and Culture submitted a report for the Executive's consideration. The purpose of the report was to consider the proposed disposal of Phase 2 of the Council's land in the Gresham Regeneration Area to Thirteen Housing Group on a 999 year lease.

The Elected Mayor of Middlesbrough had an ambition to attract an additional four thousand people to live in the town centre in the next ten years. The establishment of a viable and vibrant city centre living concept would give confidence to occupiers, developers and investors that the town centre was a safe, comfortable and well managed place in which to enjoy living, learning/working and leisure time.

As reported in August 2019, the Executive had previously approved the sale of the remainder of the Gresham site (including three commercial properties on Linthorpe Road) to Teesside University to facilitate the development of a Student Village. The proposed sale would have generated a capital receipt for the Council.

The Council was subsequently informed that the University was withdrawing its offer for the site as a consequence of interest expressed by Thirteen Group to redevelop the whole of the Gresham site for residential housing and because the need for additional student

accommodation would be met by the completion of the Cornell development.

Thirteen confirmed their interest in securing the additional land at Gresham (excluding the three Linthorpe Road properties), which was to be sold to Teesside University as a Student Village, to complement their initial proposal and had submitted a Development Appraisal based on an 81 unit scheme of affordable homes and apartments. A site plan was attached as Appendix 1 of the submitted report.

From a valuation perspective, and with consideration of the factors set out in paragraph 16 of the submitted report, the proposal to dispose of the land for £NIL consideration was justified. As a result, the residual land value became negative - making the development of the site not feasible in pure market terms.

ORDERED

That the disposal of Phase 2 of the Gresham housing site to Thirteen Housing Group on a 999 year lease at nil consideration, for the reasons set out in the business case, be approved.

REASONS

The Elected Mayor of Middlesbrough had an ambition to attract an additional four thousand people to live in the town centre in the next ten years. The Mayor's ambition accorded with the priorities for Place, set out in the Strategic Plan 2020-23, which stated that the Council would build more town centre homes to boost businesses and increase vibrancy, while reducing the need to build on green space.

In addition, the Council's Strategic Housing Market Assessment (2016) identified a need for an additional 200 affordable homes per annum over the period 2016-34.

The development of Gresham would make a major contribution to Middlesbrough's regeneration ambitions. Those included:

- a) increasing developer confidence, acting as a catalyst to stimulate the Urban Living market;**
- b) enhancing the visual appeal of the town centre, which would contribute to an attractive place to live work and visit; and,**
- c) improving the vitality of the town centre, increasing occupancy and creating additional footfall as a result of additional people living in the town centre.**

20/111

MIDDLESBROUGH COUNCIL LOCAL IMPLEMENTATION PLAN (LIP)

The Executive Member for Regeneration and the Director of Regeneration and Culture submitted a report for the Executive's consideration. The purpose of the report was to seek approval of the draft Local Implementation Plan (LIP) and commence public consultation.

Under the devolved powers of the Tees Valley Combined Authority (TVCA), there was an expectation that each Local Authority within the region produced a LIP, in line with the Strategic Transport Plan (STP) produced by TVCA.

The LIP provided the local context and content as to how the local Highway Authority (Middlesbrough Council) planned to deliver local transport priorities and initiatives to ensure delivery of the overarching objectives of the STP.

The LIP also included both Mayoral and Strategic Plan objectives; identifying the proposals that would assist in achieving those objectives simultaneously.

The draft LIP had been prepared following the STP being approved, and Middlesbrough Council was keen to gain public opinion on its approach to ensuring that the area developed its transport network appropriately.

OPTIONS

None approval of the draft LIP - That had been rejected, as it had been developed following guidance of corporate and strategic objectives.

Approve the draft LIP without public consultation - That had been rejected as the Council was keen to understand the views of its stakeholders. That was imperative to ensure that the Council was delivering the right proposals for betterment of the local transport network.

ORDERED

That the draft LIP be approved and public consultation commence.

REASONS

The Council was required to produce a strategy document to identify how it would improve its transport network. The draft LIP had been produced by the Transport & Infrastructure team, under the guidance of TVCA's STP and both the Mayor's strategy and Council's Strategic Plan.

The LIP contained potentially contentious proposals, and it was required that it was approved by Executive prior to placing it within the public domain.

The Council was keen to gauge the views of its stakeholders prior to adopting the proposed methodology. As a result, approval was required from the Executive prior to commencing public consultation on inappropriate proposals.

20/112

RE-DESIGNATION OF NORTH ORMESBY SELECTIVE LANDLORD LICENSING - CONSULTATION RESPONSES AND APPROVAL TO PROCEED WITH THE RE-DESIGNATION

The Executive Member for Regeneration and the Director for Adult Social Care and Health Integration submitted a report for the Executive's consideration. The purpose of the report was to present and consider the outcome of the ten week public consultation and to recommend that the area of North Ormesby, shown in Appendix A of the submitted report, be re-designated for Selective Landlord Licensing.

An Executive decision was made on 1 September 2020 to commence consultation on the re-designation of a Selective Landlord Licensing Scheme in the North Ormesby Ward.

During the 10 week consultation the following were received:

- 7 telephone calls;
- 22 emails; and
- 60 proforma online responses.

The report attached at Appendix D of the submitted report showed a summary of the e-mail and telephone call responses.

In summary, the majority of the 29 email/telephone responses came from landlords/managing agents with 12 objecting to the scheme for a range of reasons including:

- the cost of the scheme/landlords should not be required to pay it;
- the Selective Landlord Licensing scheme was not effective;
- landlords did not see the expected outcomes;
- landlords did not get enough support from the Council; and
- good landlords were penalised for the behaviour of irresponsible landlords.

The document attached at Appendix E of the submitted report provided a full breakdown of the 60 proforma responses, which were received during the consultation process. An analysis of the 60 questionnaires showed they originated from:

- 3 business owners;
- 8 interested parties;
- 18 landlords in the proposed licensing zone; and
- 31 tenants/residents in the proposed licensing zone.

In summary, the tenant's proforma responses showed support for the scheme by stating that:

- Selective Landlord Licensing would tackle some of the issues in North Ormesby;
- they agreed with the proposed licence conditions, proposed programmes of inspections and the tenancy support arrangements;
- they agreed that properties were not maintained to a good standard; and
- they agreed that landlords behaved irresponsibly in the letting of their properties.

In summary, the landlord's proforma responses mostly stated objections to the scheme by stating:

- they disagreed that it would tackle issues in North Ormesby;
- 56% disagreed with the licence conditions;
- there was no clear indication of favour for the inspection programme;
- they supported the additional penalty for late payment of fees;
- there was no clear indication on whether landlords maintained their properties to a good standard; and
- 44% did not agree that the private rented sector was an issue.

Whilst all responses had been fully considered, and responded to, there had been two objections which had received significant consideration. Those were:

- The exclusion of the "Keepmoat" estate area of North Ormesby from the Scheme (see paragraphs 76 to 82); and
- The response from the National Residential Landlords Association (see paragraph 83).

OPTIONS

Other potential decisions were presented and rejected at the Executive meeting on 1 September.

Re-designate an amended area within the area of North Ormesby for Selective Licensing and request approval for consultation.

That was not recommended as the current area was considered to cover the locations with the highest density of rented properties in the ward as well as incorporating other factors such as potential displacement of tenants and anti-social behaviour.

Do not renew the Selective Landlord Licensing designation and carry out alternative interventions to replace of a formal scheme

Alternatives to Selective Licensing were considered in 2014 prior to the designation of the current Selective Licensing areas. Those courses of action had been considered and were explained in detail in paragraphs 49-64. Whilst selective landlord licensing was not intended to be indefinite, a shift to an alternative non-regulatory approach or only relying on traditional reactive enforcement tools was not considered appropriate to sustain outcomes or achieve the Council's objectives. Traditional interventions did not provide the level of engagement with landlords necessary for the desired improvements. Short-term proactive enforcement projects had only a limited impact and were not sustainable without significant investment from existing revenue budgets or grant funding. Selective landlord licensing delivered in a coordinated approach, working in partnership and utilising a wide range of powers was considered to be the most effective means of delivering the Council's objectives.

In considering the responses received to the consultation it was maintained that the recommended action to re-designate the Selective Landlord Licensing Scheme in North Ormesby was the most appropriate course. The area met the legal criteria for the designation of a selective landlord licensing scheme which was the most effective solution to improving management standards in the private rented sector.

ORDERED

That the results of the consultation and the statutory tests referred to in the report be considered and the re-designation of Selective Landlord Licensing within the proposed

area of North Ormesby ward (Appendix A) be approved.

REASONS

The North Ormesby area met the legal requirements for the designation Selective Landlord Licensing area and re-designation would require all privately rented properties within the identified boundaries, subject to statutory exemptions, to apply to be licensed for 18 up to five years and comply with the licence conditions. The Selective Landlord Licensing scheme in North Ormesby had resulted in improvements in the living and environmental conditions for those living in the area and contributed to reductions in antisocial behaviour.

The scheme would continue to ensure that property standards were maintained, antisocial behaviour issues related to tenants were reduced and managed and that landlords were held accountable for the costs of both licensing and the property management improvements. The existing Selective Landlord Licensing scheme designation was self-financing and, in line with the recommended changes to the scheme, the new designation would work in the same way.

The proposed fee of £745 (plus £20 for the Fit and Proper Person check) enabled the Council to ensure the scheme was self-financing, it was calculated on the staffing requirements for the administration and regulation of the selective landlord licensing scheme.

The current boundary for the Selective Landlord Licensing scheme was to be maintained to ensure complete coverage of the area in relation to improved housing standards, improving environmental conditions and reduction in crime and anti-social behaviour and to avoid any issues of displacement.

The re-designation would allow the continuation of the achievements the scheme had achieved to date, improving living and environmental conditions, reducing anti-social behaviour as set out in the Evaluation Report (see Appendix B of the submitted report).

20/113

FINAL REPORT OF THE ADULT SOCIAL CARE AND SERVICES SCRUTINY PANEL - PHYSICAL ACTIVITY FOR OLDER PEOPLE (AGED 65 PLUS) - SERVICE RESPONSE

The Adult Social Care and Services Scrutiny Panel had undertaken a review of Physical Activity for Older People (aged 65 plus). A copy of the full report was attached.

The scrutiny panel made twelve recommendations upon which a response was sought from the relevant service area. The Executive Member for Adult Social Care and Public Health submitted a service response to the recommendations of the Adult Social Care and Services Scrutiny Panel. A copy of the Action Plan was attached.

The Chair of the Adult Social Care and Services Scrutiny Panel presented the final report to the Executive. The Executive Member for Adult Social Care and Public Health presented the service response.

ORDERED

1. That the content of the Adult Social Care and Services Scrutiny Panel, on Physical Activity for Older People (aged 65 plus), be noted.
2. That the Action Plan, developed in response to the scrutiny panel's recommendations, be approved.

REASON

It was a requirement that Executive formally considered the Scrutiny Panel's report and confirmed the Service Area's response to the Panel's accompanying plan.

20/114

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

A Member commented that a case of the South African variant had been detected in

16 February 2021

Middlesbrough and residents of Marton and Coulby Newham were urged to get a test at the testing centre located at the Parkway Shopping Centre.

The decision(s) 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.