

EXECUTIVE

A meeting of the Executive was held on Tuesday 13 April 2021.

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

PRESENT BY INVITATION: Councillors J Thompson

OFFICERS: M Adams, C Benjamin, S Bonner, S Butcher, R Farnham, G Field, R Horniman, C Lunn, G Moore, T Parkinson, S Reynolds, E Scollay and I Wright

APOLOGIES FOR ABSENCE: A Preston (The Mayor)

20/131 **DECLARATIONS OF INTEREST**

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

20/132 **MINUTES - EXECUTIVE - 16 MARCH 2021**

The minutes of the Executive meeting, held on 16 March 2021, were submitted and approved as a correct record.

20/133 **YOUTH SERVICES UPDATE**

The Deputy Mayor and Lead Member for Children's Social Care and the Executive Director of Children's Services submitted a report for the Executive's consideration. The purpose of the report was to provide information on the outcome of the Youth Services tender and mobilisation activity ongoing to ensure services commenced on 1 April 2021.

On 14 July 2020, the Executive had granted approval for the formal procurement of a Youth Service to be carried out by Middlesbrough Council.

A compliant tender had been carried out and following evaluation, in line with the tender requirements, the Council had awarded the following contracts:

- a) Lot 1 - Universal Youth Work - The Linx
- b) Lot 2 - Targeted Youth Work - The Junction
- c) Lot 3 - Transition Youth Work - Middlesbrough Football Club (MFC)

The contracts commenced on 1 April 2021 and, following contract award, the Council had been working with all three providers on their mobilisation plans.

All providers had confirmed that the work they were carrying out on mobilisation planned to ensure that their services were up and running on the 1 April 2021.

Collaboration between all three suppliers was working positively, ensuring co-ordination of delivery plans and referral criteria with a main focus on avoiding duplication and ensuring the youth offer was comprehensive.

ORDERED

That the content of the report be noted.

REASON

The report was being provided in order to keep the Executive informed of the impact of its decision to tender contracts to deliver those services.

CARE HOME BROKERAGE AND TRUSTED ASSESSOR

The Executive Member for Adult Social Care and Public Health and the Director of Adult Social Care and Health Integration submitted a report for the Executive's consideration. The purpose of the report was to request approval to develop an in-house care home brokerage and trusted assessor service, following the termination of a current contract

Care Home Selection, an independent provider, had been awarded a contract with Middlesbrough Council on 1 July 2019 for the purpose of delivering both a Trusted Assessor and Family Support service at James Cook University Hospital. The service supported family members in choosing an appropriate care home at the point of discharge from hospital for a loved one. The service would terminate on 1 July 2021

The service planned to also reduce any delays in discharge by conducting a trusted assessment on behalf of the care home, to enable the care home to determine whether it could accept the placement. Without the service, a care home would need to arrange to visit the ward and carry out their own assessment, which could often take time to arrange, contributing to delayed hospital discharges.

The purpose of the service was to reduce delays on leaving hospital by being the trusted link for the assessment between the care home and the hospital. That supported the hospital in ensuring there was no bed blocking and patients were supported through the process to their onward journey of care.

The main functions of the service were outlined at paragraph 6 of the submitted report.

OPTIONS

Alternative options were:

- a) **Do nothing - The contract could have been terminated with no replacement service. Care Homes would have therefore been asked to assess patients within the hospital setting themselves and families would have been supported by the Council's hospital social work team. That had been viewed as not a viable option due to a number of factors. Currently assessments were completed with a maximum 24 hours, but performance reporting showed those were usually completed within 4 hours. As a result, Middlesbrough was performing well in terms of minimal delayed hospital discharges. Care homes, due to demand pressures within the home environment, would have been unable to meet that target should they be required to attend the wards themselves. The hospital social work team was already under significant work pressures, and to add additional burden to their workload, in supporting family members to choose care homes, would have been unrealistic.**
- b) **Renegotiate current contract - Whilst performance of the current provider was very good, the unit cost of the contract was high, and it did not offer value for money. Renegotiation of the contract may have reduced the unit price slightly, however, it still would not have provided the flexibility needed, should there be change in service, or workflow. The ability to flex the model at short notice and mid-year was required without needing to consider impact on the budget per assessment.**

The development of an in-house team would enable the service to be flexible without the risk of incurring additional costs. In addition, a 7 day costed model for an in-house service had been developed that would allow for 2 Trusted Assessors, a Co-ordinator, a Placement Assistant with management support which would still deliver savings when compared to the current contract costs. That model would deliver twice the trusted assessment time that the current model provided for offering significant opportunity to manage the current demands.

ORDERED

That development of an in-house care home brokerage and trusted assessor service, following the termination of a current contract, be approved.

REASON

The initial contract term expired on 1 July 2021. The contract arrangement provided for a block number of assessments per quarter, with a spot rate for any assessments needed in excess of the block. Despite the Covid 19 pandemic, the number of assessments had significantly exceeded the block per quarter.

Furthermore, the experience of the pandemic had highlighted the need for flexibility of service provision, the Government had introduced different workflows for hospital discharge, such as the requirement for designated settings, those were settings for 3 individuals discharged to residential care whom were Covid positive. Due to that change in workflow, those were different assessments and therefore chargeable under Middlesbrough Council's care home selection contract, that was an unforeseen cost.

Those additional assessment costs resulted in the contract not providing overall value for money.

20/135

CHANGING FUTURES FUNDING OPPORTUNITY

The Executive Member for Adult Social Care and Public Health, the Director of Adult Social Care and Health Integration and the Director of Public Health submitted a report for the Executive's consideration. The purpose of the report was to provide an update on the Changing Futures funding opportunity and to seek approval for a formal submission on a South Tees partnership basis with Middlesbrough Council as the lead organisation.

Following Middlesbrough's award of approx. £4.5m funding for Project ADDER, the Government had announced £46m from the Shared Outcomes Fund for a new programme: Changing Futures - aimed at changing systems to support adults experiencing multiple disadvantage. It was being led by the Ministry of Housing, Communities & Local Government (MHCLG).

The programme planned to work in partnership with up to 15 local areas to test innovative approaches and improve outcomes for people experiencing multiple disadvantage, including a combination of homelessness, substance misuse, mental health issues, domestic abuse and contact with the criminal justice system.

The Expression of Interest (EoI) had been submitted on behalf Middlesbrough and Redcar & Cleveland Councils, along with a variety of partner organisations across a South Tees partnership.

The South Tees (ST) EoI had been successful and ST had been able to claim a development grant of £15k to appoint a bid co-ordinator. The appointed lead was working with all organisations within the ST partnership and co-ordinating the development of a costed delivery plan to ensure the formal bid was submitted on time.

If successful, MHCLG guidance stated that it expected two year grants to total approx. £1.5m - £4.5m per area. However, MHCLG had just extended the length of the programme through until 31/3/24, thanks to a partnership with the National Lottery Fulfilling Lives fund. That planned to ensure additional funding for successful areas, which would be based on the proposed, costed delivery plan submitted. Delivery was expected to commence in June/July 2021.

If successful, ST would seek to apply the Middlesbrough Council corporate 8% management fee to the funding as the grant recipient. It was also within scope to recruit strategic lead capacity with the funding to oversee the programme.

OPTIONS

Retaining the status quo and not accepting the funding would deny Middlesbrough/South Tees the opportunity for significant investment and improvement in services for some of its most complex and vulnerable residents. Addressing those complex vulnerabilities and tackling the underlying social determinants of poor health in the group, including issues such as criminal justice, employment and positive relationships, provided the potential to transform local lives. The negative impact that

those issues had on the wider community, and the area as a whole, could be significantly mitigated by investment at that scale.

ORDERED

- a) That a formal submission on a South Tees partnership basis, with Middlesbrough Council as the lead organisation, be approved;
- b) Subject to the bid's success, that approval be granted to receive the grant funding on behalf of the South Tees partnership and distribute it amongst the partner organisations;
- c) If successful, that delegated authority be given to the Director of Public Health (DPH), as the named lead for the South Tees partnership, in consultation with the relevant Executive Member, to allocate future funding for Changing Futures, up to £150k per intervention/decision and to approve costed delivery plans relating to the programme via the Governance and Steering Board.
- d) That delegated authority be given the Director of Public Health (DPH), as the named lead for the South Tees partnership, to sign the bid on behalf of Middlesbrough Council as lead authority for the partnership.

REASON

Successfully attaining a Changing Futures area status presented an opportunity to attract significant external funding to Middlesbrough and the wider South Tees area, which would benefit a wide range of the area's population, including extremely vulnerable groups. The delegated authority to the DPH requested was being made within the context of creating a South Tees Partnership Governance and Steering Board, should the bid be successful. That group would include key representatives from commissioning/procurement, finance, HR and social care, as well as appropriate partner organisations representation. Decisions regarding delivery plans, interventions, recruitment and procurement processes would be agreed within that group.

The benefits of being Changing Futures programme area included:

- a) The funding could have a significant positive impact on the lives of local people impacted by multiple vulnerabilities.
- b) The timing was extremely welcome given the challenges outlined in the 'Report Background' section of the submitted report and the following, current and critical issues relating to the last two years:
 - highest levels of drug related deaths on record;
 - highest levels of alcohol related deaths on record;
 - unprecedented number of domestic homicide reviews;
 - significant increases in those in temporary accommodation and with acute housing issues; and
 - impact of the COVID-19 pandemic.
- c) It would benefit the integrated service model, which brought together domestic abuse, homelessness and substance misuse services from 1 April 2021, aiming to better address the complex vulnerabilities faced by some residents. Changing Futures status would help South Tees partnership to complement the approach with additional capacity and maximise the benefits of the new model with significant external investment in key areas of specialist support.
- d) The issues associated with multiple vulnerabilities impacted on a wide range of health outcomes and service provision, including demand on children's services, primary and secondary care and adult social care. Improved outcomes would translate to further benefits across key areas of health and social care.
- e) Stakeholder consultation was not formally required in order to approve the receipt of the funding, however, co-production of the interventions with the South Tees partners, VCS, local service user community and 'experts by experience' planned to form a key part of the programme.
- f) Both Changing Futures and Project ADDER supported the recent Middlesbrough Council Health Scrutiny Panel's examination of opioid dependency, which recommended that the topic was to become a long-term, standing agenda item due to its level of impact and complexity. Multiple partner organisations had been invited to the panel over the last year in order to promote a whole-system approach to tackling the 'wicked problem'.

- g) In addition to the funding, being a Changing Futures programme area would ensure that South Tees benefitted from:**
- **having direct links with the MHCLG and other key, government departments with local findings/outcomes influencing national decisions;**
 - **being part of a network with other Changing Futures areas to gather and share best practice; and**
 - **being provided with additional, specialist support from other organisations involved in the Changing Futures national programme, including Making Every Adult Matter (MEAM).**

20/136

COMMUNITY ASSET TRANSFERS

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 seek approval to explore community asset transfer for four Council buildings by recommending that the Council invited expressions of interest for the four buildings, and progressed the process outlined in the community asset transfer policy.

A number of community asset transfers had already been carried out successfully offering opportunities for localised social regeneration, improved access to educational activities and growing small businesses.

Brambles Farm Community Centre, The International Centre, Langridge Initiative Centre and 22 Holylake Rd all had tenants currently occupying the buildings with non-commercial arrangements in place, however, the Council still had a financial pressure to invest in maintenance and remedial work.

There had been little interest in securing a commercial tenant for those buildings. In part that was due to the complexities of the building and in part also due to their respective locations meaning them ill-suited to attracting business investment.

Those currently occupying the buildings were also limited in seeking access to funding opportunities to enhance the buildings due to the nature of their current agreements and as a result, the buildings, though occupied, continued to deteriorate attracting anti-social behaviour and community concerns. The buildings also required increased reactive maintenance and the Council had responsibility for the rates.

All four current occupiers had now approached the Council to seek to remedy that by enquiring as to opportunities to community asset transfer the buildings.

OPTIONS

- a) **Continue with current arrangements - That may have resulted in continued costs to the Council. It would also have reduced the capacity of any potential occupiers to draw down funding opportunities and inevitably lead to further structural deterioration.**
- b) **Demolish buildings - That would have incurred capital costs, and the buildings currently had occupation from community and voluntary sector organisations.**
- c) **Sell the buildings - An Asset Disposal business case may have proved challenging. The market value, given the buildings location, may have been challenging with bids coming in under their current worth. It would have also reduced the Council's influence to determine the future direction of the building and therefore disposing of a building that could potentially have both a greater physical and social regeneration impact.**

ORDERED

- a) **That progression of the community asset transfer policy be approved for potential execution of community asset transfer leases for Brambles Farm Community Centre CC, Langridge Initiative Centre, The International Centre and 22 Holylake, subject to appropriate expressions of interest and submission of appropriate business cases.**
- b) **That a future report be presented to the Executive, outlining the outcome of the**

financial appraisal and recommendations for approval for each community asset transfer based on its own merits following due diligence where appropriate.

- c) That the Community Asset Transfer Policy be refreshed alongside the Community Governance Review process, currently being progressed.

REASONS

Community asset transfers presented opportunities to facilitate social regeneration as well as local community access to education, health and recreational activities across Middlesbrough.

There had been little interest in securing commercial tenants for the buildings. In part that was due to the complexities of the building and in part also due to their respective locations, meaning them ill-suited to attracting business investment.

A building left unused attracted a significant amount of criminal damage and impacted upon Council budgets due to the requirements to maintain general up keep and rates.

A community asset transfer demonstrated a key business imperative to reduce Council expenditure.

Discussions with local stakeholders, such as the local business owners and residents living in close vicinity, had shown that they want to see the buildings used more for the community.

Transfer to community interest companies and charities would allow for potential investment and physical enhancements to the building supporting the 2020-23 Strategic Plan in terms of physical regeneration in all four deprived wards in Middlesbrough.

20/137

COMMUNITY BENEFIT ARISING FROM ASSET DISPOSAL

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 seek approval for revisions to the asset disposal policy. The amendments outlined a community benefit clause that stated in the event that an asset was disposed of above the projected market value, 3% of the value would be made available for local community use.

In some circumstances an asset that was disposed through open market may attract above market value, as such, amendments had subsequently been made to the asset disposal policy to allow local communities to benefit, should such circumstances arise.

Those amendments included:

- 3% of the disposal price being made available to the ward for community use; and
- the funding being maintained within the Finance Directorate and spend within the community being agreed by the Director of Finance, Executive Member for Finance and Governance and the relevant ward councillors. That planned to ensure any capital receipt expenditure would meet accounting requirements.

OPTIONS

Do nothing - The asset disposal policy could have remained unchanged, and any assets disposed of above market value would have had a positive impact in terms of an enhanced capital receipt. However, the Local Authority was committed to locality working and that was an opportunity to stimulate investment at ward level.

ORDERED

That an amendment to the asset disposal policy be approved, to facilitate local communities benefiting whereby a Council owned asset was disposed of within their respective locality above market value.

REASON

To ensure that the Council continued to have an asset disposal process which was responsive, fit for purpose and allowed the Council to clearly demonstrate Value for Money in relation to the disposal of Council owned assets, but also a policy that reflected support to local communities.

20/138 **TENDER PIPELINE APPROVAL 2021/22**

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 request approval of Middlesbrough Council's tender pipeline for 2021/22 and agree delegation of award to the relevant Director, in consultation with their Executive Member.

A tender pipeline for April 2021 to 31 March 2022 had been developed as part of the Council's work programme. In order to strengthen governance over procurement, it was requested that the Executive agreed the intended procurement activity and delegated authority for contract award to the relevant Director, in consultation with their Executive Member.

Whilst a tender pipeline had never previously been presented, the Specialist Commissioning and Procurement Senior Manager wanted to further strengthen internal governance arrangements.

The tender pipeline would be a live record which would be maintained by the Commissioning and Procurement Team and available for the supplier market to view on the Council's website.

In the event that new tenders were added during the year, then individual Executive reports would be presented.

ORDERED

That the tender pipeline for 2021/22 be approved, including the delegation of responsibility for award to the relevant Director in consultation with their Executive Member.

REASON

To further strengthen governance arrangements for procurement activity undertaken by the Council.

20/139 **BOHO RESIDENTIAL SITE - MARKETING AND DISPOSAL**

The Executive Member for Regeneration, the Executive Member for Finance and Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to seek approval for:

- a) the commencement of a process to market and dispose of the Council's freehold interest in land at Middlehaven, in order to facilitate the Boho Residential development; and,
- b) the principle to allocate grant funding of up to £2m from the Towns Fund, where an appraisal had confirmed that there was a funding gap that would otherwise make the scheme unviable, subject to confirmation of compliance with Subsidy Control rules.

The Boho Residential site was approximately 1.25 acres and was shown on the plan attached as Appendix 1 of the submitted report. The area comprised the eastern area of a Council owned car park, which was surrounded by a perimeter fence with gated access, and was adjacent to the site of Boho X.

The vision for the proposed scheme was to create an aesthetically pleasing development of up to 90 residential units. Marketing particulars would be produced, which planned to provide guidelines on the key layout principles, type and quality of development that the Council would be seeking to achieve on the site. Historic England had already identified that future development in the area should show greater regard for the historic grid iron pattern of the area.

The land had been valued by Valuation and Estates at £220k per acre, giving a land value of

£275k. An Asset Disposal Business Case was attached at Appendix 2 to the submitted report.

The anticipated capital receipt from the sale of the site could not be considered in isolation. The wider socio-economic benefits to the town also needed to be considered. The development would complement Boho X and would support the implementation of the DigitalCity masterplan by providing high-quality homes for potential employees.

ORDERED

- a) **That the commencement of a process to market and dispose of the Council's freehold interest in land at Middlehaven be approved, in order to facilitate the Boho Residential development.**
- b) **That the principle to allocate grant funding of up to £2m from the Towns Fund be approved, where an appraisal had confirmed that there was a funding gap that would otherwise make the scheme unviable, subject to confirmation of compliance with Subsidy Control rules.**

REASON

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:

- a) **develop Middlehaven as a residential, leisure and commercial centre of national significance; and**
- b) **build more town centre homes to boost businesses and increase vibrancy, while reducing the need to build on green space.**

The establishment of a viable and vibrant Urban Living concept would also 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.

The development would also complement Boho X and would support the implementation of the DigitalCity masterplan by providing high-quality homes for employees.

20/140

FUTURE HIGH STREETS FUND - TOWN CENTRE PROPERTY AND ASSET MANAGEMENT (PART A)

The Executive Member for Regeneration, the Executive Member for Finance and Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to set out the framework for the delivery of the recently allocated £14.1m from the Future High Streets Fund (FHSF). A significant proportion of that was proposed to be spent within the Council owned asset, the Captain Cook Square shopping centre. The report also set out the operational parameters against which officers were delegated to manage and let the asset and the formal approval to deliver the FHSF interventions, in line with the strategic business case and funding criteria as set out in the successful bid.

Middlesbrough Council had successfully secured £14.1m from the FHSF. The funding had been awarded specifically for the purposes set out in the bid and would be recoverable if not used for that explicit purpose. That included:

- a) £3.5m for residential property;
- b) £1.05m for transport adaptations and improving safety/security of town centre areas;
- c) £270,352 for cultural animation and experiences;
- d) £250k for businesses adaptations for Covid mitigations; and
- e) £9.1m for the transformation of Captain Cook Square for leisure uses, incentives, decant compensation, remodelling units, contribution to fit out and adapting public spaces.

The £9.1m dedicated to Captain Cook Square required input from both Council officers and the managing agent. The most appropriate funding structure would be identified to ensure that all works and financial incentives were procurement compliant, subsidy control regime (former

state aid) compliant and were delivered to the conditions of funding set out by HMGovt.

The Council had purchased the Captain Cook Shopping Centre as part of a strategic case to support the town centre economy and to provide significant commitment to FHSF programme, demonstrating a coherent policy to intervene in, and enhance, a struggling market. That was pre Covid, in the wake of Covid, town centre issues, alongside the unfortunate number of distressed retailers, had amplified and exacerbated the problems facing retail, leading to a greater and more urgent case for intervention.

The announcements prior to Christmas, and in the recent budget, provided much needed and anticipated news, that the Council had been successful in levering in desperately required Government capital. The proposals within the report both maximised the contribution and allowed that to be used to lever in additional private finance, which minimised the Council's risk.

By investing C. £9.1m of awarded FHSF monies in Captain Cook Square, the Council could:

- a) rebalance the town centre economy, making it more sustainable for the future;
- b) drive additional footfall into central Middlesbrough, creating benefits for all tenanted businesses;
- c) create a more sustainable retail market by reducing supply (currently there were four shopping centres in the town centre) would positively impact on demand;
- d) increase the reputational and visitor appeal for Middlesbrough;
- e) create and sustain new employment opportunities;
- f) create additional appeal in supporting the new urban living market;
- g) repurpose C. 400k sqft of retail floorspace to address oversupply, protect asset values and encourage renewal investment by property owners; and
- h) inject a new vibrancy and impetus into the town centre economy.

ORDERED

- a) **That the information contained in Part A of the report be noted.**
- b) **That the decision be taken once all the financial or exempt information contained in Part B of the report had been considered.**

20/141 **EXCLUSION OF THE PRESS AND PUBLIC**

The resolution to exclude the press and the public was agreed.

20/142 **EXEMPT - FUTURE HIGH STREETS FUND, TOWN CENTRE PROPERTY AND ASSET MANAGEMENT (PART B)**

The Executive Member for Regeneration, the Executive Member for Finance and Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration.

ORDERED

That the recommendations of the report be approved.

REASONS

The decision was supported by the following reason:

For reasons outlined in the report.

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. The report entitled 'Changing Futures Funding Opportunity ' was added as an urgent item and, following agreement from the Chair of the Overview and Scrutiny Board, will be exempt from call in procedures.