

EXECUTIVE

A meeting of the Executive was held on Tuesday 9 November 2021.

PRESENT: Mayor A Preston (Chair) and Councillors B Cooper, S Hill, E Polano and M Smiles

PRESENT BY INVITATION: Councillor D McCabe

ALSO IN ATTENDANCE: E Craigie (Teesside Live)

OFFICERS: C Benjamin, S Blood, R Brown, S Butcher, R Horniman, A Pain and I Wright

21/67 **DECLARATIONS OF INTEREST**

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

21/68 **MINUTES - EXECUTIVE - 5 OCTOBER 2021**

The minutes of the Executive meeting held on 5 October 2021 were submitted and approved as a correct record.

21/69 **MIDDLESBROUGH'S AMBITION FOR CHILDREN: A WHOLE TOWN STRATEGY**

The Deputy Mayor and Executive Member for Culture and Communities and the Executive Director of Children's Services submitted a report for the Executive's consideration. The purpose of the report was to seek endorsement for the Middlesbrough Children Matter (MCM) brand and priorities. The report also proposed the development of a town-wide children's strategy and supporting delivery plan, which set out Middlesbrough's ambition for all children and directly linked to the Local Authority's MCM vision, mission and priorities. It was planned that the strategy would be informed and co-produced with children and young people.

The Corporate Reference Group was made up of key partners from across all of the Council's directorates. The group had an established work plan that outlined how each directorate could contribute to the delivery of the Children's Services Improvement Programme and that was monitored via monthly meetings.

As the Children's Services Improvement Programme focussed solely on the Council's response to Ofsted findings and had a clear set of priorities and outcomes to deliver against, it was agreed that through the Corporate Reference Group a wider offer would also be created.

It was planned that the wider offer would be the endorsement of the Council's MCM priorities through the development of a corporate Children's and Young Person's Strategy. The strategy would focus on improving the lives of all children of Middlesbrough and not just those who were impacted by the Council's ongoing improvement journey.

The current MCM mission was 'to show Middlesbrough Children that they Matter', the priorities that sat below that were detailed at paragraph 10 of the submitted report. To ensure the Children and Young Person's Strategy was co-produced with Middlesbrough's children and young people, a town-wide consultation of those priorities was proposed.

OPTIONS

Another option would be to do nothing. That was not recommended as it would have meant that Middlesbrough did not have a clear strategy aimed solely at improving the lives of all children and young people within the town, which was directly co-produced with children and young people of the town.

ORDERED

That the Middlesbrough Children Matter (MCM) approach and priorities be endorsed, and that those priorities form part of a town-wide children's strategy which outlines Middlesbrough's ambition for all children within the town, directly linked to the Council's (MCM) vision and mission.

REASON

The decision was recommended as it would further support the Council's ongoing Children's Services improvements by setting an ambition for all children within the town, which included direct input from children and young people. That planned to allow Middlesbrough Council to have a focus on how it improved the lives of all children and young people and also extended its collaborative working through MCM by bringing key partners in to support a shared vision. As the strategy would be informed by a town-wide consultation, the associated cost to deliver, benefits and risks were not fully known. Those would all be confirmed during the strategy development.

Internal engagement with the Corporate Reference Group was undertaken to determine the decision. That was not statutorily required. The outcomes of the consultation found that all directorates supported the proposal of a children's strategy outlining Middlesbrough's ambition for all children.

21/70

ANNUAL UPDATE: SPECIAL EDUCATIONAL NEEDS AND / OR DISABILITIES 0-25

The Executive Member for Education and the Director of Education and Partnerships submitted a report for the Executive's consideration. The purpose of the report was to provide an update on Special Educational Needs and/or Disabilities 0-25 in Middlesbrough since the local area revisit in July 2019 and since the last Executive report in November 2020.

The submitted report provided information on:

- The Local Picture (see paragraphs 6 to 10);
- The Local Area Inspection Framework (see paragraphs 11 to 14);
- Funding (see paragraphs 15 to 20); and
- Key Developments (see paragraphs 21 to 23).

The local area's SEND Strategy (see Appendix 1 of the submitted report) had recently been updated. Within the strategy, the current priorities were outlined, which were linked to identified areas for development. Those priorities were detailed at paragraph 24 of the submitted report.

It was planned that the key priorities and areas for development would be monitored via the SEND Strategic Group to ensure all action plans from the key work streams were on track. Work would also be monitored through engagement with families and the parents forum.

The Council would continue to use information gathered from its SEND Strategic Group, key stakeholders, families and young people to regularly update the local area self-evaluation, which planned to highlight strengths and areas of development. That information would be fed into key work streams to ensure areas of development were addressed.

ORDERED

That the update on progress within the local area since the 2017 Written Statement of Action, the local area revisit in July 2019 and the Executive Annual Report 2020 be noted.

21/71

MIDDLEHAVEN - OUTWOOD ACADEMY RIVERSIDE

The Executive Member for Education, the Executive Member for Environment and Finance & Governance, the Director of Education and Partnerships and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to set out the case for the proposal to dispose of the Council's freehold interest in land at Middlehaven, in order to facilitate the delivery of a new secondary free school in Middlesbrough.

Middlesbrough Council had a statutory duty to ensure there were sufficient school places. The proposed school planned to form a central pillar of the Council's approach to planning secondary school provision as, without it, there would be insufficient places to meet the rising demand.

To meet rising demand for places, the DfE had proposed opening the school in temporary accommodation in the first instance, allowing for due diligence, design, procurement and delivery of the new school to take place by the academic year 2021/22.

It had been identified that further detailed investigations of the site were required and that a remediation strategy would need to be devised for what was emerging as an increasingly complex site. The timescales subsequently slipped to 2023/24 to allow that work to take place, with plans to provide more substantial temporary accommodation for the school for the first three years of operation.

Early DfE estimates of the cost of remediating the site to the standard required, at approximately £6.9m, raised concerns that the scheme was becoming unaffordable. Alongside the cost of preparing a temporary site, the estimated project costs escalated considerably and drew ministerial attention.

The DfE had proposed the cost of remediation be shared with Middlesbrough Council. It was agreed in principle that the cost should be deducted from the value of the site, and that should be the final price paid by the DfE. In the event that the remediation costs were greater than the site value, the additional cost was to be shared equally by the DfE and Middlesbrough Council up to a maximum cap of £1.7m each. The Council would only agree to pay the costs of remediation that the DfE could evidence, was required to build the school.

Following more detailed site investigations, the DfE had revised the indicative remediation costings to £4.33m. Under the mechanism agreed, that would mean a Council contribution of £1.55m over and above the value of the site, which was below the cap of £1.7m.

The Council was currently checking those costs and the remediation strategy that underpinned them. Alternative approaches to the remediation were also being investigated with a view to reducing the costs and timescales involved. Further information on the remediation of the site was detailed at paragraphs 8 to 16 of the submitted report.

OPTIONS

Re-use for operational purposes - No Council operational service requirement had been identified.

Other uses - Although the site was capable of being used for other purposes, future use for the development of a secondary school was preferred. Use of the subject land for any other purpose would have left the Outwood Academy Riverside with no site on which to develop a permanent school building.

Do nothing - The property would have remained in its present state. Whilst the subject land would have been retained for potential Council use in the future, the liability and responsibility for maintaining and holding the property would have remained with the Council in the interim.

ORDERED

- 1. That the sale of the subject land to the DfE, for the sum of £1,211,596 (plus fees), be approved to enable the construction of a new secondary school to be used as the permanent location for Outwood Academy Riverside.**
- 2. That capital funds up to the sale value of the land, plus a further sum of up to £1.7m, be utilised to assist the DfE in remediating the site subject to the DfE providing robust evidence of the costs.**

REASON

To meet the Council's requirements to generate capital receipts and bring a vacant,

unused parcel of land into far more beneficial use in the future.

Disposal would facilitate the construction of the Riverside Outwood Academy, creating additional secondary school capacity to assist the Council in its statutory duty to ensure there were sufficient places to meet rising demand.

Without an appropriate site on which to permanently locate the new school, its continued operation would not be possible. The school was currently operating out of temporary accommodation until the new building was completed, and would otherwise reach full capacity by 2022/23 and be unable to accept any more pupils.

The proposal supported delivery of the Council's Medium Term Financial Plan.

21/72

ECS BUILT ASSET CAPITAL INVESTMENT

The Executive Member for Environment and Finance & Governance and the Director of Environment and Community Services submitted a report for the Executive's consideration. The purpose of the report was to provide information on the current arrangement for allocated capital funds in the Council 'Built Asset Portfolio' and request an additional £5,195,650 of capital funding be allocated to enable essential investment to be undertaken to the assets.

The submitted report outlined four requests for investment in Resolution House, the Town Hall, the Municipal Buildings and Central Library:

- **Resolution House** - The cost advice to replace the cladding and associated building services to the workshops was estimated at £1,500,000 to £2,000,000. Table 1, below paragraph 6 of the submitted report, advised on the estimated costs to each local authority, on the assumption that the principles of the custodian agreement were applied.
- **Resolution House** - The site was the Council's main operational depot and required the installation of a passenger lift to allow a means of accessible access to the first and second floors of the main office block.
- **Municipal Building and Town Hall** - The condition of the slate tiled roof, associated lead flashing and stonework was well documented, with the conclusion that major investment was required over the coming years to minimise further deterioration to one of the town's heritage assets. In addition, works to the internal building elements, fire compartmentation, and fire detection systems were required.
- **Central Library** - The introduction of a ground floor accessible toilet and baby change planned to provide a much needed facility to allow a wider demographic of the community to visit and utilise the resources within the library.

OPTIONS

Structural reports had confirmed that capital investment was required to address the existing condition of the Town Hall, Municipal Buildings and Resolution House. Any further delay to action those recommendations would have increased the risk of a building element failing and could have resulted in a breach of Health and Safety Legislation, putting the Council at risk of legal action being taking.

ORDERED

That capital funding for works to the Town Hall, Municipal Buildings, Resolution House, and Central Library be approved to ensure the ongoing condition of the assets for future operational and community use.

REASON

To ensure that those assets were structurally stable and remained suitable for operational and community use.

21/73

REVENUE AND CAPITAL BUDGET - PROJECTED OUTTURN POSITION AS AT QUARTER TWO 2021/22

The Executive Member for Environment and Finance & Governance and the Director of

Finance submitted a report for the Executive's consideration. The purpose of the report was to advise of the Council's financial position at Quarter Two 2021/22, including the projected effect of Covid-19 on the Council's finances.

As reported in previous reports, the Covid-19 pandemic was continuing to have a significant impact on the Council's financial position. That had made the management of the Council's finances more difficult due to the constantly evolving situation and also the level of uncertainty regarding the financial effects of Covid-19 in 2021/22 and future years. Covid-19 financial pressures were being monitored separately from the normal non-Covid-19 financial position, and those were reported separately in paragraphs 50 to 78 of the submitted report.

The 2021/22 Revenue budget for the Council was £116,492,035. During Quarter One there had been a number of transfers of services between directorates due to managerial changes, and the financial position was reported against the new directorate budgets. The Council's outturn position for 2021/22 for non-Covid-19 elements was projected to be an overspend of £2.605m (2.2%). The split by directorate was shown in the table below paragraph 7 of the submitted report, with the Quarter One position also included for information.

The detail of the variances contained in the table at paragraph 7 were set out in the submitted report (paragraphs 17 to 49). At Quarter Two, 29 areas were projected to be spent +/- £150,000 of the agreed budget. Where appropriate, the on-going effects of variances would be considered as part of future updates of the Council's Medium Term Financial Plan.

The overspend of £2.605m, when added to the estimated Covid-19 pressures of £1.550m detailed in paragraphs 50 to 78, resulted in a total projected outturn pressure at year-end 2021/22 of £4.155m, an increase of £402,000 from the position reported at Quarter One.

It was proposed that the total projected overspend in 2021/22 would be covered by the full utilisation of the Social Care Demand Reserve of £0.5m and the Children's Services Demand Reserve of £0.732m, which were created at the end of 2020/21. It was proposed that the remaining £2.923m of the total projected outturn pressure was funded from the £4.512m Covid Recovery Reserve, which was created during 2020/21 to cover the potential costs arising from the Covid-19 recovery in 2021/22 and future years.

The level remaining after the use of those reserves was shown in the Reserves and Provisions section of the submitted report (see paragraphs 113 and 114) and in Appendix 2.

The revised Investment Strategy to 2023/24 was included at Appendix 1 for approval. It was noted that capital receipts assumptions had been re-evaluated in light of Covid-19 and the Revised Investment Strategy took account of that.

The split by directorate was shown in the table below paragraph 91 of the submitted report, which also showed the "real" projected outturn variance if all of the additional new schemes, increased schemes, reduced schemes, and transfers between directorates were excluded. Explanations for variances of +/- £150,000 across sixteen schemes were set out in paragraphs 92 to 105 of the submitted report. Those variances required movement within the Council's four-year Investment Strategy, but did not affect the overall investment or cost of borrowing.

ORDERED

- 1. That the 2021/22 revenue budget Quarter Two total projected outturn of £4.155m, representing a £2.605 m (2.2%) overspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2021/22 of £1.550m, and the proposed actions to address that be noted.**
- 2. That the proposed use of the following reserves to fund the total projected overspend of £4.155m in 2021/22 be noted:**
 - Social Care Demand Reserve (£0.5m)**
 - Children's Services Demand Reserve (£0.732m)**
 - Covid Recovery Reserve (£2.923m)**
- 3. That the 2021/22 capital budget Quarter Two predicted outturn of £64.814m against a budget of £82.029m be noted, and the proposed revised Investment Strategy to 2023/24 at Appendix 1 be approved.**

REASON

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.

21/74

MEDIUM TERM FINANCIAL PLAN UPDATE AND BUDGET SAVINGS PROPOSALS

The Mayor and Lead Member for Children's Social Care, Adult Social Care and Public Health and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to provide an update of the Council's Medium Term Financial Plan (MTFP) for the period to 2024/25, reflecting and supporting delivery of the Strategic Plan. The report set out the proposed Council Tax increase for 2022/23, and noted that following Council on 24 November 2021 the proposals would be, where required, subject to public consultation.

The Council maintained a Medium Term Financial Plan (MTFP) that set out the financial envelope that was necessary to achieve strategic priorities and the savings necessary for living within those financial plans (budget savings). The MTFP:

- accurately analysed the current financial climate and the medium-term horizon, including the range of spending pressures facing the Council;
- addressed the budget savings requirements for the MTFP period;
- focused investment on growing the town's economic base to improve local prosperity, and secured a robust and independent income stream to fund the Council's services.

The table below paragraph 9 of the submitted report summarised the updated position of the anticipated changes to the Council's financial position in the period to 2024/25 since the budget report to Council in February 2021, with further details being included in the paragraphs 10 to 12.

The budget report to Council in February 2021 detailed the key assumptions made in the MTFP, and the submitted report showed the major changes since February 2021, with paragraphs 14 to 75 providing further details.

The submitted report also included information on:

- adequacy and use of financial reserves (see paragraphs 76 to 82); and
- budget saving requirements and proposals, including budget savings already assumed in the current MTFP (see paragraph 83) and proposed additional budget savings (see paragraphs 84 to 86).

The Council's Investment Strategy was updated each quarter via the quarterly budget monitoring reports, and also a full revision of the Investment Strategy for the MTFP period, including 2024/25, would be included in the budget report to Council in February 2022.

OPTIONS

The Council had no option but to monitor its financial position, addressing any potential financial pressures and any budget savings required, to ensure the Council's financial position was balanced. The updated Medium Term Financial Plan for 2021-25 planned to provide the means to achieve that in a proactive and systematic manner, while continuing to reshape the Council to lead the delivery of the priorities for Middlesbrough.

ORDERED

1. That the updated Medium Term Financial Plan position for 2021-25 be noted.
2. That the proposed budget for 2022/23, and the proposed total Council Tax increase of 2.99% for 2022/23 (comprising of a 1.99% increase in general Council Tax and a 1% Adult Social Care Precept) be endorsed.
3. That the report be presented to Council on 24 November 2021, allowing consultation on the budget and the proposed Council Tax increase to commence, with any required changes arising from the discussion of the report at the Executive delegated to the Executive Member for Finance and

Governance, as advised by the Director of Finance.

REASON

To enable the Council to meet its statutory responsibility to set a balanced revenue budget and to ensure that a proper framework was in place for the medium term financial management of the Council, which would enable the Council to take a systematic, coherent and controlled approach to addressing ongoing financial challenges over the medium-term, while maximising its contribution to the Mayor's priorities for Middlesbrough.

21/75

CHILDREN AND YOUNG PEOPLE'S LEARNING SCRUTINY PANEL'S FINAL REPORT - BEHAVIOUR, DISCIPLINE AND BULLYING IN SCHOOLS - SERVICE RESPONSE

The Children and Young People's Learning Scrutiny Panel had undertaken a review of Behaviour, Discipline and Bullying in Schools. A copy of the full report was attached.

The scrutiny panel made 6 recommendations upon which a response was sought from the relevant service area. The Executive Member for Education and the Director of Education and Partnerships submitted a service response to the recommendations of the Children and Young People's Learning Scrutiny Panel. A copy of the Action Plan was attached.

The Chair of the Children and Young People's Learning Scrutiny Panel presented the final report to the Executive. The Executive Member for Education presented the service response.

ORDERED

1. That the content of the Children and Young People's Learning Scrutiny Panel's Final Report on Behaviour, Discipline and Bullying in Schools 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.

21/76

EXCLUSION OF THE PRESS AND PUBLIC

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

21/77

EXEMPT: STRATEGIC TOWN CENTRE ACQUISITION

The Executive Member for Regeneration, the Executive Member for Environment and Finance & 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

