

CABINET

A meeting of Cabinet was held on Thursday 12 December 2024.

Present: Cllr Robert Cook (Leader), Cllr Pauline Beall (Cabinet Member), Cllr Lisa Evans (Cabinet Member), Cllr Clare Besford (Cabinet Member) and Cllr Norma Stephenson OBE (Cabinet Member).

Officers: Garry Cummings, Clare Harper (DCE&F, T&P), Reuben Kench (DoCS,E&C), Chris Renahan, Craig Taylor (IG&D), Majella McCarthy (DoChS), Ged Morton, Julie Butcher, Peter Bell (DoCS), Carolyn Nice (DoA,H&W), Jane Edmends (AH&W).

Also in attendance: Cllr Syliva Walmsley, Cllr Marc Besford, Cllr Lynn Hall.

Apologies: Cllr Nigel Cooke (Cabinet Member) and Cllr Steve Nelson (Cabinet Member).

CAB/68/24 Evacuation Procedure

The Evacuation Procedure was noted.

CAB/69/24 Declarations of Interest

There were no interests declared.

CAB/70/24 Minutes

Consideration was given to the minutes of the meeting held on 14 November 2024.

RESOLVED that the minutes of the meeting held on 14 November be approved and signed by the Chair as a correct record.

CAB/71/24 Medium Term Financial Plan Update

Consideration was given to a report that provided an update on the financial position as at 30th September for the current year (2024/25) and presented outline plans for the 2025/26 Budget and the Medium Term Financial Plan (MTFP).

Members were aware of the financial challenges facing Councils across the country, and the particular challenges faced locally within Stockton-on-Tees. Significant work was underway looking to address the financial pressures faced by the Council through the Powering our Futures Programme alongside additional mitigating actions. Members were aware of the progress made so far on the transformation reviews, with the report to Cabinet in November 2024 outlining the first phase of savings from reviews.

The cost pressures and demand for Council services as noted in the report to Cabinet in September, continued to grow however, resulting in an updated projected

overspend of £6.6m for the financial year 2024/25. If this materialises, it would need to be funded from earmarked reserves or any one-off funding.

The report also included an update on the projected Medium Term Financial Plan. This incorporated some of the expenditure pressures the Council was experiencing, as well as early announcements from the Budget on 30th October 2024. There was still significant uncertainty around funding with more detail on the funding announcements expected to follow in the Local Government Provisional Settlement expected week commencing 16th December. This would however be a one year settlement and therefore the information in respect of future years was indicative and subject to a fundamental review by the Government of Local Government Funding.

The report identified a potential further pressure across the MTFP and highlighted potential options for addressing this. This would be considered in the budget report in February 2025.

Despite the budget challenges, the Council remained ambitious for Stockton-on-Tees and getting a better future for everyone who lives, works and plays here. The Council was confident it could work with partners and communities to put in place new and innovative approaches which would not only save money but also reshape what the Council did for the better and in the best interests of residents. The Council would do this through the Powering Our Future Programme.

In order to address the budget gap the Council needed to act quickly so the first of the transformation reviews delivered through the Powering our Future programme were taking place between now and early 2025.

In the meantime, all staff were being instructed to think carefully before authorising any spending and to consider how the Council could work with partners and communities to ensure the best possible outcomes for residents, despite a reducing budget.

The updated Capital Programme was set out in an appendix to the report and summarised within a table in the report.

RESOLVED that:-

1. The updated financial position for 2024/25 be noted.
2. The revised Capital Programme at Appendix A of the report be noted.
3. The emerging issues for the MTFP be noted.
3. Reasons for the Decision

CAB/72/24 Inclusive Growth Strategy

Consideration was given to a report that provided the revised Inclusive Growth Strategy 2025-2028 as one of the Council's key policy documents as outlined in the Stockton-on Tees Plan 2024-2028 and for consideration by Council in January 2025.

Inclusive Growth referred to broad-based growth that enabled the widest range of people and places to contribute to economic success, and to benefit from it too. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes and enabling as many people as possible to contribute and benefit from growth, essentially promoting economic growth that benefitted the Borough's residents.

The Strategy was centred on ten strategic 'levers'. These were the themes that would govern the Council work on inclusive growth and would ensure that the Council take a comprehensive approach that focused equally on economic growth and inclusivity. The themes were wide-ranging and included developing new economic roles for Stockton-on-Tees and ensuring the Borough becomes a place recognised for good work, fair pay and responsible business ownership.

The ten levers reinforced the ambition of other Council strategies including the Fairer Stockton-on-Tees framework, the overarching 2024-28 Council Plan, and the emerging Powering Our Future Strategy. The Council would also work with the Tees Valley Combined Authority to complement their emphasis on inclusive growth and inequalities contained within the Tees Valley Strategic Economic Plan.

The ten levers were proposed as the focus of Council activity to turn the Vision into reality. These were:

1. Rapidly Growing and Broadening the Stockton Employment & Business Base
2. Rapidly Growing and Broadening the Stockton Skills & Enterprise Base
3. Helping our Businesses to Grow Faster and to Better Innovate
4. Developing New Economic Roles and Functions within Stockton-on-Tees
5. Changing the Image and Investor Perceptions of Stockton-on-Tees
6. Ensuring All Our Target Communities Can Access Economic Opportunity
7. Making Stockton-on-Tees a Recognised Place of Good Work & Fair Pay
8. Making Stockton-on-Tees a Recognised Place of Responsible Business & Local Ownership
9. Ensuring More Wealth is Retained in Stockton-on-Tees and Circulates Locally
10. Putting More Economic Assets and Power into the Hands of our Local Communities

Further detail on each of these levers can be found in the appendix to the report.

The Strategy was developed alongside key stakeholders, including engagement across all Council departments, external stakeholders and the business community. The outcomes this informed the priority actions under each of the ten levers.

RECOMMENDED to Council that the Inclusive Growth Strategy (attached at Appendix 1 of the report) be approved.

CAB/73/24 Strategic Asset Management Plan

Consideration was given to a report on the Strategic Asset Management Plan (SAMP) 2025-2030.

The Strategic Asset Management Plan (SAMP) 2025-2030 sets a strategic direction for the Council managing its land and property portfolio. It marks the transition to a

Corporate Landlord Model, centralising all Council-owned assets' ownership and strategic management.

This approach ensures efficiency, transparency, and alignment with the Council's strategic objectives. The SAMP outlines key aims and actions to maximise the use of land and buildings, drive regeneration and inclusive growth, and support community needs, all while promoting sustainability and value for money.

The Council's land and property portfolio included operational buildings, commercial properties, community facilities, housing, and land assets. Given financial pressures, it was vital to manage these assets effectively to achieve cost savings, generate income, and advance the Council's broader corporate priorities, including regeneration and inclusive growth, sustainability, and community well-being.

The Strategic Asset Management Plan (SAMP) 2025-2030 provided a strategic direction to align asset management with the Council's corporate objectives. The SAMP prioritised financial sustainability, regeneration and inclusive growth, asset efficiency, and meeting the community's diverse needs.

A core feature of the SAMP was the Asset Challenge process, which involved continuous evaluation of asset performance and relevance. This ensured that assets remained fit for purpose, contributed to corporate objectives, deliver value for money and align with service delivery needs. It also identified opportunities for collaboration, partnership, repurposing, redeveloping, maximising income, and reducing operational costs. This process ensured the Council could adapt to changing needs and maximise the value of its assets.

The SAMP introduced a Corporate Landlord Model, centralising the ownership and management of assets under a corporate function. This shift ensured decisions aligned with the Council's strategic objectives, promoted transparency, and maximise efficiency in service delivery. Service departments would become corporate tenants, using assets to deliver their services, while the Corporate Landlord would manage these assets, ensuring compliance with legal and operational standards.

The SAMP comprised three interconnecting components:

- Policy: Establishes the overarching direction for managing Council assets to meet corporate objectives and priorities.
- Strategy: Outlines the key aims for our assets, including a corporate approach, regeneration and inclusive growth, value for money, optimisation, community support and partnership, and sustainability.
- Action Plan: Provides a live document detailing specific actions, performance measures, and timelines for achieving the strategy objectives.

Under the SAMP, the Council's asset management approach was structured around six key aims:

a. Corporate Landlord Model:

Under a Corporate Landlord model, ownership of all assets and responsibility for their management is centralised, shifting ownership from individual service departments to a Corporate Landlord function for consistency and improved financial efficiency. The service departments become corporate tenants and use assets for service delivery.

b. Regeneration and Inclusive Growth:

The Council will utilise its land and buildings to stimulate regeneration, attract investment, and promote inclusive growth. This includes prioritising assets to support business growth, revitalising town centres, and creating new opportunities for residents and businesses.

c. Supporting Communities and Partners:

This will highlight the role of Council assets in empowering local communities. It promotes using assets to strengthen partnerships with local organisations, support well-being, and foster social cohesion. The plan ensures that properties like community centres and public spaces deliver tangible social benefits by aligning asset management with community needs.

d. Optimisation of Assets:

The Council will ensure its assets are fully utilised, fit for purpose, and aligned with strategic goals through systematic review and challenge processes. This includes reducing operational costs, identifying opportunities for consolidation, and repurposing underutilised properties.

e. Value for Money and Financial Efficiency:

We will ensure that the Council's assets deliver optimal value for money. This includes continuously challenging occupation and utilisation, maximising financial returns, reducing operational costs, and ensuring assets are fit for purpose. The plan outlines a process of regularly challenging asset performance and utilisation, seeking opportunities for consolidation, income generation, and cost savings.

f. Sustainability and Environmental Stewardship:

The SAMP supports the Council's sustainability goals by ensuring environmentally responsible asset management. It sets out a strategy to reduce carbon emissions, improve energy efficiency, and promote sustainable practices across the estate.

Alongside the SAMP, the Council would develop specific targeted asset management strategies to address distinct needs and opportunities, ensuring they contributed effectively to the Council's corporate objectives. This approach would allow for more focused management and asset optimisation while ensuring alignment with the overall vision outlined in the SAMP.

RESOLVED that:-

1. The live Strategic Asset Management Plan (SAMP) 2025-2030 (Appendix 1 of the report) be approved.
2. The implementation of the Corporate Landlord Model to centralise asset ownership and streamline management processes be endorsed.
3. The planned review of assets to ensure their optimal use in alignment with strategic goals and community needs be noted.

CAB/74/24 Procurement Plan - General Network Refresh

Consideration was given to a report that sought approval for the award of planned higher value contracts where the value exceeds the limit on officer delegated authority

and which were either funded within the approved MTFP / Capital Programme or were subject to a bid for external funding.

The constitution defined a range of decisions that required a specific Cabinet approval, the financial threshold for which was set at a level of £500k or more. Annex 1 of the report listed contracts that exceeded the financial threshold and had not otherwise been delegated to officers.

RESOLVED that:-

1. The contracts listed in Annex 1 be approved.
2. Authority be given to the relevant Director or Assistant Director to make the specific contract award decision and any subsequent contract variation, annual inflationary uplifts (where allowed in the contract terms and conditions) and extension decision in accordance with the delegations listed in Annex 1.

CAB/75/24 Procurement Plan - Finance ERP System

Consideration was given to a report that sought approval for the award of planned higher value contracts where the value exceeds the limit on officer delegated authority and which were either funded within the approved MTFP / Capital Programme or were subject to a bid for external funding.

The constitution defined a range of decisions that required a specific Cabinet approval, the financial threshold for which was set at a level of £500k or more. Annex 1 of the report listed contracts that exceeded the financial threshold and had not otherwise been delegated to officers. This contract was included on the Annual Procurement Plan approved by Cabinet in March 2024, however due the circumstance set out below, the contract required additional approval.

The constitution included Contract Procedure Rules which lay down the processes for procurement including the requirement to competitively tender for goods / services and works or alternatively access pre-tendered framework agreements. The framework agreement available for this contract referenced on the Annual Procurement Plan did not provide value for money and there was insufficient time to undertake a full tender before the current system becomes 'unsupported' by end of 2024. Therefore, officers had entered into a negotiated procedure without a call for competition directly with Unit 4 and achieved a substantially reduced pricing framework.

To comply with the Public Contract Regulations 2015 and for transparency purposes, the Council was required to publish a Voluntary Ex-Ante Transparency Notice (VEAT) which provided the opportunity for the wider market to challenge the proposed decision to award a contract directly to Unit 4. For information, the challenge period was limited to 10 calendar days from the day after the notice is published. The contract could not be concluded until after this period.

RESOLVED that:-

1. The expenditure on the contract listed in Annex 1 be approved.

2. An exception to Contract Procedure Rules to not access a pre-existing framework agreement for the purchase of the contract listed in Annex 1 and instead directly award a contract to Unit 4 through a negotiated procedure without a call for competition.

3. Authority be given to the relevant Director or Assistant Director to finalise detailed terms and conditions and any subsequent contract variation, annual inflationary uplifts (where allowed in the contract terms and conditions) and extension decision in accordance with the delegations listed in Annex 1 of the report.

CAB/76/24 The Sycamores Housing Development (closure report)

Consideration was given to a report on the Sycamores Housing Development (Closure Report).

Housing is a key contributor to the health & well-being and quality of life for the Borough's residents and a key driver in supporting the Boroughs economic growth.

As part of the Councils strategic regeneration plans it was a longstanding ambition to bring forward a housing development on the former Victoria Estate and adjacent Elm House sites, to provide quality, truly affordable and inclusive homes within the heart of Stockton town centre.

As all homes on The Sycamores had been built, sold and occupied the report detailed the successful delivery of this town centre re-development. Highlighting that the new homes delivered not only addressed local housing needs but also delivered broader social and economic benefits as well as a financial return to the authority.

Looking forward as the Council explores options for accelerating affordable housing delivery the learning and reflections from this partnership (and delivery model) will be considered. They included:

- An effective governance structure (monthly project meetings, with an 'open book approach ensured effective project & financial monitoring and formal Board meetings which provided an escalation route if required).
- The ability of the partnership to operate with an element of flexibility and agility to maximise funding opportunities as these arose (on this occasion securing access to the Brownfield Housing Fund and First Homes monies).
- Securing the right level of expertise (skills and financial) to deliver on the Councils ambitions.
- The benefits (and need) of an effective internal inter-department project team (legal, financial, planning, land and property and housing colleagues for example) who provided dedicated support to the project at all stages (procurement, establishing the legal arrangements and throughout project delivery). Which in turn facilitated effect partnership arrangements with Keepmoat.

CAB/77/24 Learning & Skills Service Governing Body Annual Report

Consideration was given to the Annual Report of the Governing Body for the Learning and Skills Services.

The report provided an update on the work of the Learning and Skills Service in supporting residents, employers and the local community with learning opportunities during the 23/24 academic year. The report also demonstrated the ongoing success of the Governing Body as an advisory committee empowered by Cabinet to provide challenge, support and strategic oversight.

The Annual Report covered the following key areas:-

- Governance and management of the Service
- Overview of the Learning and Skills Service
- Performance of the Learning and Skills Service
- Multiply Programme

RESOLVED that the report be noted.