

# MIDDLESBROUGH COUNCIL

AGENDA ITEM 3

## OVERVIEW AND SCRUTINY BOARD

16 SEPTEMBER 2019

<p><b>CALL IN – LONG TERM LEASE OF GRESHAM SITE TO THIRTEEN GROUP</b></p>
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### PURPOSE OF THE REPORT

1. In accordance with Middlesbrough Council's call in Procedure, to allow Members of the Overview and Scrutiny Board (OSB) the opportunity to consider a decision made by the Executive.

### RECOMMENDATION

2. That the Overview and Scrutiny Board considers the decision of the Executive and determines whether it should be referred back to the decision making body for reconsideration.

### EXECUTIVE DECISION

3. A meeting of the Executive was held on 27 August 2019. At that meeting, consideration was given to a report of the Executive Member for Regeneration and the Executive Member for Finance and Governance in respect of the Long-term Lease of Gresham Housing Site to Thirteen Housing Group.
4. A copy of the above report, which outlined the background to the Lease of the Gresham Site, is attached at **Appendix 1**.
5. The report included the following recommendations:-
  - a) That Executive approves the disposal of the Gresham Housing Site to Thirteen Housing Group on a 999 year lease.

The decision was supported by the following analysis:

The Elected Mayor of Middlesbrough has an ambition to attract an additional four thousand people to live in the town centre in the next ten years. In addition, the Council's Housing Strategy (2017-20) refers to the Strategic Housing Market Assessment (2016), which identifies 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. These include:

- 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.

## **CALL IN PROCEDURE**

6. The power to call in a decision of a local authority executive body was introduced under the Local Government Act 2000. The process is intended to hold decision makers to account and ensure that executive powers are discharged properly. Call in ensures that a decision can be reviewed and reconsidered before it is implemented.
7. The procedure allows Members the opportunity to call in decisions for review by the Overview and Scrutiny Board as follows:
  - A decision made by The Executive;
  - A decision made by an individual Member of the Executive;
  - A decision made by a committee or sub-committee of the Executive;
  - A key decision made by an officer with delegated authority from the Executive; or
  - A decision made under joint arrangements.
8. The process is initiated by five Members of the Council requesting a decision to be reviewed within five working days following publication of the decision and submitting a form that outlines the reason(s) for the call in.
9. The completed Call-In form, signed by five Members supporting the request to call in the decision outlined above was received by the Monitoring Officer on 2 September 2019.
10. The five Members supporting the call in were Councillors Storey (Proposer) Rooney, Dean, Rostron and J. Walker.
11. The decision to be called in is as follows:
  - That Executive approves the disposal of the Gresham housing site to Thirteen Housing Group on a 999 year lease.
12. The reasons for the call in, as determined as being valid by the Council's Monitoring Officer, are as follows:

Decision to agree provide a long term lease to Thirteen Housing Group for the development of the Gresham Area as presented and agreed by the Executive 27th August 2019

## **Reasons**

### **There was inadequate consultation with stakeholders prior to the decision being made.**

No consultation with MHome's, despite business case and proposals to the Exec when setting up MHome's that Gresham would be a key site within the business plan No consultation with other housing providers operating in or around the Middlesbrough area or indeed any invitation to them to put forward proposals for development.

No evidenced consultation with the University of Teesside, given that the University is a key stakeholder in this and the Gresham Masterplan was developed taking into account the proposals for the Student Village.

### **Inadequate/inaccurate evidence on which to base a decision and not all relevant matters taken into account.**

There has been no evidenced consideration of the detail of the Gresham masterplan approved by Executive on 2nd November 2016 nor the revised masterplan approved by executive August 2018.

There is no evidence that the proposal for development has been put out to open tender. Granting what is in effect a freehold of the land (see minutes of the Executive held 27th August 2019) should allow for open tender of the land. This needs clarifying through a legal opinion.

Additionally the Local Housing Plan 2014 which at pg 18 states a development of 145 dwellings against the proposal to develop 179 by Thirteen HG. No assessment of why the size of the development has been increased and what the size of the development is based on.

Thirteen HG proposals outline high rise, up to 7 stories as well as a mix of housing types. It has been acknowledged that this type of housing is unsuitable for this area of the town.

The Local plan 2014 also states that contingency for schools, and services and community facilities will be provided through new build and relocation in the area. No information that supports this is in the proposal by Thirteen HG.

There is no reference in the reports to the Gresham Masterplan proposals to develop an open space in recognition that there are few open spaces in the residential area of the town.

The August 2018 report to Executive proposes "a move away from high density housing and provides for better proportioned plots with provision for landscaping, walking, cycling and a safe and secure environment. It will

include high quality public realm, public artwork, and street lighting with strong sight lines over amenity spaces to discourage anti-social behaviour and create ownership. The Public Open Space is a key factor of the Gresham Masterplan, and integral to the scheme and adds significantly to the urban design and quality of the development"

### **The decision materially departs from the budget and policy framework**

We ask for a revised costing of the development to take into account the long term income to the council developing wholly owned rented housing for the site, new homes bonus and sale on the open market.

#### **Documents referred to:**

Gresham Masterplan 1st November 2016 (Appendix 2a)  
Report to Executive 1st August 2018 (Appendix 2b)  
Local Plan as adopted November 2014 (Appendix 2c)

13. All documents referred to above as part of the call in can be found at **Appendix 2.**
14. To assist the Overview and Scrutiny Board in the call in process, the Executive Member for Regeneration and the Executive Member for Finance and Governance, and appropriate Council officers, will be present at the meeting. The Executive Members and officers will explain the reasons and rationale behind the report and the decision that was made. The Member who initiated the call in will also be present to explain their views and concerns in respect of the decision.
15. A copy of the procedure to be followed at the meeting is attached at **Appendix 3.**
16. Having considered the submitted information, the Overview and Scrutiny Board has the following courses of action available:
  - i. To refer the decision back to the Executive/Executive Sub-Committee/Executive Member/Officer for reconsideration. In that case, OSB should set out in writing the nature of its concerns about the decisions.
  - ii. To determine that it is satisfied with the decision making process that was followed and the decision that was taken by the Executive/Executive Sub-Committee/Executive Member/Officer. In that event, no further action would be necessary and the Executive decision could be implemented immediately.
  - iii. Request that the decision be deferred (adjourned) until the Overview and Scrutiny Board has received and considered any additional information/evidence required to make a decision with regard to the Call-In from other witnesses not present at the committee. (The Committee need to clearly identify the relevant issues that need to be given further consideration and whether there are any specific time

constraints or other implications affecting the proposed implementation of the decision.)

- iv. Take no action in relation to the Called-In decision but consider whether issues arising from the Call-In need to be added to the Work Programme of any existing or new Overview and Scrutiny Standing Panel/OSB. (The Committee need to clearly identify the issues to be added to the Work Programme.)
  - v. If, but only if (having taking the advice of the Monitoring Officer and/or the Chief Finance Officer), the Committee determines that the decision is wholly or partly outside the Budget and Policy Framework refer the matter, with any recommendations, to the Council after following the procedure in Rule 8 of the Budget and Policy Framework Procedure Rules. Only in this case is there a continuing bar on implementing the decision.
17. In the event that the decision is referred back to the Executive, a further meeting of the Executive would be arranged within ten further working days. The Executive would then make a final decision in the light of any recommendations made by OSB.
  18. Where the recommendations of OSB are not accepted in full by the relevant Executive body, the body should notify the OSB of this and give reasons for not accepting the recommendations.

## **BACKGROUND PAPERS**

19. The following background papers were used in the preparation of this report:
  - Middlesbrough Council's Call-In Procedure.
  - Report to Executive – 27 August 2019.

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