

AGENDA

MIDDLESBROUGH TOWNS FUND BOARD

Friday 2nd February 2024

2 pm – (virtual meeting)

1.	Election of a temporary Chairperson
2.	Apologies and declarations of interest
3.	Minutes from previous meeting
4.	Urban Living discussion
5.	A.O.B
6.	Date and time of next meeting: TBC

Towns Fund Board
Monday 4th December 2023 at 1pm via Teams

Present:

Chris Cooke - Mayor of Middlesbrough
Clive Heaphy - Middlesbrough Council Chief Executive
Adam Suleiman – Cities and Local Growth Unit
Simon Clarke - Member of Parliament for Middlesbrough South and East Cleveland
Zoe Lewis – Middlesbrough College
Chris Smith – Thirteen Group
Rachel Anderson - Assistant director of Policy NECC
Mark Fenwick – Arriva
Marc Anderson – Cleveland Police

In attendance

Richard Horniman – Director of Regeneration
Sam Gilmore - Head of Economic Growth and Infrastructure MBC
Louise Antill - Towns Fund Programme Manager
Bill Vince – Arts Council

1.	<p>Election of a temporary Chairperson</p> <p>Clive Heaphy opened the meeting as the last meeting was Chaired by the previous Mayor of Middlesbrough and a new Mayor has been elected. To explicitly comply with the constitution of the board, nominations were sought for a temporary Chair.</p> <p>Mayor Chris Cooke was nominated as temporary Chair and the Board agreed he chair the meeting.</p>
2.	<p>Apologies and declarations of interest</p> <p>Apologies: Andy McDonald - Member of Parliament for Middlesbrough Thomas Smith – Community Rep Gary McDonald – TVCA Laura Sillars - Dean of mima School of Art & Design Teesside University</p> <p>Meeting was quorate.</p> <p>Declarations of Interest: Chris Smith declared an interested in any decisions relating to Gresham.</p>
3.	<p>Minutes from previous meeting</p> <p>Minutes were agreed as a true record.</p>
4.	<p>Programme update and Progress Report</p> <p>LA shared a progress monitoring update for the overall programme and provided information on each project:</p>

Urban Living - Programme to be realigned to address current need in Middlesbrough and maximise the grant, whilst not overlapping with the plans of the Mayoral Development Corporation

Middlesbrough Experience - Nature Reserve – Project complete.

Ward Initiatives – Completed Projects: Fairy Dell boardwalk, Bonnygrove Park and Marton West Beck, upgrade of Easterside play park (MUGA), new children's play area at Newham Way, footpath along Cypress Road, Glebe Road Park/ Newport - new play area / upgrade, refresh of 22 existing play parks across the town, planters across district centres and communities across the town, fencing of Albert Park bowls and croquet greens, Thorntree Park lighting, Thorntree and Pallister Parks – refurbishment, upgrades to current garden at Trinity Methodist Church, Whinney Banks to turn it into a community growing garden, upgrades to current garden at Trinity Church North Ormesby to turn it into a community growing garden, upgrades to Bexley Gardens Allotment – Easterside and new community growing garden at Grove Hill Hub - Bishopton Road.

New play park at Marton Manor / Tollesby - Proposal developed, Cllr Grainge conducted residents' consultation and residents were opposed to a new play area in this location - scheme not going ahead.

New play area and community growing garden at Thorntree Shops - Formal outcome of Planning application received on 16th October (following review at Planning Committee on 12th October) which declined / rejected the application for the play area in the location of Millbrook Avenue. Currently awaiting guidance regarding next steps for this scheme.

Pallister Park - refurbishment of MUGA - the budget for this scheme has been included in a bid to the Football Foundation as match funding for investment in wider play park improvements across the town – the bid has been submitted and the Football Foundation have approved the application to the next stage. The team have now proceeded to the 'Narrowing the Focus' stage which involves community engagement and the final confirmation regarding whether or not the funding bid has been successful is expected in approximately July / August 2024.

New community growing garden at Nunthorpe's new Community Centre - no progress made on this scheme to date - this is dependent upon the development of the new Community Centre (where the garden is intended to be located) - this is tied up in the wider Nunthorpe development proposal with developers. The current estimate for completion of the community centre / garden is May 2025.

Community Hubs - Southlands Centre - The proposed scheme was dependent upon a successful bid to the Football Foundation to contribute towards the delivery of the additional sporting elements identified to meet Sport England amended condition for Marton Avenue.

A new planning application was developed and approved on 22nd March 2023. At the same time officers engaged with a consultant commissioned to support with the bid to the Football Foundation. Unfortunately, the consultant identified a lack of demand for the proposed new 3g pitch and that any bid to the Football Foundation would likely be unsuccessful.

	<p>In the absence of access to Football Foundation funding and the increased costs identified through the tender process a new approach was proposed. The new approach would look to revert to the original Marton Avenue planning condition, and to deliver the new Community Facility to the west of the site, removing the requirement for Football Foundation funding. Before this new approach could be formally presented to Executive for approval, a new potential partner approached the Council seeking to utilise the site to relocate their base to the Southlands site.</p> <p>The proposal from the partner will look to deliver all elements within the amended condition for Marton Avenue and reopen the potential for attracting additional funding from the Football Foundation. Sport England have advised in principle they would be in support of this approach, and it would meet requirements needed to discharge the Marton Avenue. Initial concept designs have been developed and a cost of delivery has been estimated. These have been shared with the potential partner. Once the strategic direction is formally confirmed and partners confirmed commitment to the scheme, a change control will be submitted.</p> <p>Nunthorpe Community Centre - Location is now confirmed to be on the site of Nunthorpe Grange, adjacent to the new Medical Centre. Design Services are currently developing the concept designs allowing officers to seek expressions of interests for a management organisation. Designs expected to be complete by end of October.</p> <p>Building a Knowledge Economy - The first college project funded by the Towns Fund completed in April 2022 and has allowed 1682 new enrolments.</p> <p>The TTE Build project commenced the construction phase in March 2023 and is progressing in accordance with the planned schedule, the impact of this project will be seen in student enrolments and subsequent achievements from the 2024/25 academic year onwards.</p> <p>ZL – explained that the Amber RAG rating for the TTE scheme was due to the project still requiring confirmation of IGF funding. SG to contact TVCA for an update.</p> <p>Enterprise Infrastructure - Centre Square 6 is now complete, with AXA insurance renting the majority of the building and employing 525 staff. Interest has been showed in the remaining space but not let to date.</p> <p>Historic Buildings - A tenant has been selected to take a long lease on the building.</p> <p>The Heritage Lottery Fund have confirmed that Middlesbrough's Stage 1 application has been successful. The Authority will receive £229,737 grant from the NHLF to develop the Stage 2 bid, utilising £25,526 of Town's Fund money. The Stage 2 bid is scheduled to be submitted in May 2024, and will be subject to a competitive process, with a determination anticipated later that summer.</p>
<p>5.</p>	<p>Project Adjustment Request – Urban Living</p> <p>SG – Presented a paper to request changes to the structure of the Urban Living Programme. The need to make amendments is due to several reasons including the rising level of inflation and issues such as Nutrient Neutrality which have created pressure on the Urban Living project in terms of timescales for delivery and the demand for town centre living. It is therefore necessary to reshape the programme to align more effectively with local need. At</p>

	<p>the time of application, the impacts of covid had not been realised, nor had the cost-of-living crisis or the impact of the mini budget on the housing market. The proposed changes have been designed to ensure the outputs are still achieved and current housing needs are addressed.</p> <p>The proposal has been screened by colleagues in DLUHC and is permissible. The funding contribution to Newham Hall will allow the achievement of outputs within the timescales of the Towns Fund programme whilst allowing flexibility to support social housing issues in the short term, thus improving life chances.</p> <p>CC- would like to focus efforts to the west of Princes Road, with the aim of tackling a street at a time.</p> <p>CH – asked if revenue implications had been considered.</p> <p>SG – confirmed that revenue implications had been considered and detailed information would be provided at the Business Case stage.</p> <p>The Board agreed the content of the PAR and that it could be submitted to DLUHC.</p>
<p>6.</p>	<p>Town Deal Board Terms of Reference Renewal</p> <p>SG-presented a paper detailing the role of the Town Deal Board to ensuring relevance in the long term. Going forward the Board will still require a representative of the private sector; will provide a monitoring and evaluation role and will advise the policy framework for Middlesbrough’s economic growth. Ideally, the group will advise the strategic plan for the area as a co-designed local strategy framework which will pre-emptively inform bids to major national, and sub-regionally devolved, funding programmes.</p> <p>The Board will have a more limited membership to make it more streamlined to carry out this strategic role.</p> <p>CS – endorsed the proposal, as it is important for the Board to understand what has been achieved and what lessons can be learned going forward.</p> <p>SC – agreed that it is important to satisfy ourselves on the success of the Board, understand how we benchmark Towns Fund activity and the impact it has had.</p> <p>AS – informed the Board that DLUHC had some work to do with regard assessing the success of all Town Deal areas and that TVCA hold data on a local and regional level that could be used in assessing the work of Middlesbrough’s Board.</p> <p>The Board agreed the proposed renewal.</p>
<p>7.</p>	<p>Membership and Constitution Renewal</p> <p>SG – informed the Board that there will be no fundamental change to the Board’s constitution and quarterly meetings would resume in the new year.</p>

8.	Any other business An underspend has occurred on the Ward Initiatives scheme due to some projects costing less than estimated and another not going ahead due to planning issues. It is therefore suggested that the remaining funding be utilised by Newham Grange Farm and the events team. As per the original executive report any delegated decisions on the scheme can be agreed by the Director of Regeneration and the Director of Environment and Commercial Services. MA – going forward any issues with planning and anti-social behaviour can be directed to Cleveland Police’s Architect Liaison Officer. SC – asked if prior to the next meeting, that the Board have a tour of the sites of completed projects. SG – to arrange.
9.	Date and time of next meeting February 24 date to be confirmed.

The Rt Hon Sir Simon Clarke MP



HOUSE OF COMMONS

LONDON SW1A 0AA

Clive Heaphy
Interim Chief Executive
Middlesbrough Council

Via email

12 January 2024

Dear Clive,

I am writing to express my serious concern regarding the proposed changes to the scope of the Middlesbrough Town Deal programme, which has been submitted (or is about to be submitted) to DLUHC as a change request.

My understanding has always been that this national programme was designed to allow town centre economic regeneration in places of significant need.

Middlesbrough town centre is certainly one such area and the proposals were considered and approved by the Government on the basis of our submitted plans.

In the agreed bid with Government there was an allocation of £9.151m to support Urban Communities in the town centre, with the clear intention of bringing life back to the very run-down town centre.

Specifically, this allocation was to deliver new town centre urban communities, new office space and a broader leisure as follows.

- A new urban community in the heart of the town centre, in the following key locations:
Boho Village, Middlehaven Dock, Corporation Road, Centre Square, Gresham
- Conversion of redundant commercial premises
- Drive footfall in the town centre and support the retail sector
- Develop a market for leisure activity
- Animate the town centre

I am now informed that the changes to this plan, proposed by Middlesbrough Council to the Town Deal Board, for submission to DLUHC reallocate all of this money. That constitutes 42% of the entire allocation away from town centre investment to fund social care. As such the programme will now include development outside of the town centre of accommodation for sheltered accommodation, children's care and homelessness to support the Council's adult and children's social care overspend, rather than to generate the economic development for which it was allocated.

At the Towns Deal Board meeting on 4 December, I was prepared to support the housing initiatives, but it was not made clear to the Board that they came at the expense of other major redevelopment projects that had already been agreed and which relied upon this funding to be deliverable.

Working Hard for Middlesbrough South and East Cleveland

What particularly frustrates is that I have now learned that the decision was taken just three working days after the Middlesbrough Development Corporation approved a scheme for the development of a mixed use scheme for the Civic Centre in the heart of the town which meets all of the criteria of the Town Deal allocation. This approval was predicated on an investment of £2m of Town Deal funds that the Council had allocated to the developer to deliver the scheme - something of which I, and I believe all other Board members, was unaware.

This developer, and indeed others who are looking at regeneration schemes, are now left with undeliverable schemes, leaving the regeneration of the town centre in doubt because the Council is seeking to divert funds to meet its statutory obligations.

This happened despite both you and the Mayor of Middlesbrough having been present at the MDC meeting and supporting the town centre recommendations.

I find this a disappointing sleight of hand, to put it mildly. If the Town Deal Board is to be a meaningful forum for decision making, members can only participate on the basis of full disclosure of proper briefing about what is being decided and the associated trade-offs. As it stands, I for one feel misled.

This lack of information, contradictory decision making and misleading behaviour is simply not appropriate. Regrettably, I have to withdraw my support for the recommendations from the meeting of 4 December as a result.

I will be sending a copy of this letter to DLUHC and requesting that they deny the change request and require that the funds are used for their intended purpose.

Yours sincerely

A handwritten signature in blue ink that reads "Simon Clarke". The signature is written in a cursive style and is positioned above a horizontal line.

Sir Simon Clarke MP

cc. Jacob Young MP, Minister for Levelling Up



Town Deal Board 2 February 2024

**Briefing on board member concerns raised in relation to Agenda item 4:
Project Adjustment Request: Urban Living and Placemaking theme.**



Query 1: Understood to be a national programme designed to allow town centre economic regeneration.

Response:

Middlesbrough's entire LA boundary is the eligible area for Middlesbrough's Town Deal.

Economic drivers are a significant driver of the Town Deal funding but not exclusively – local determination is a key aspect of the Town Deal which has enabled investment in Ward Initiatives; Community Hubs; and, the North Ormesby Nature Reserve.

In contrast, the Future High Streets Fund is limited to this scope.



Query 2: In the agreed bid with Government there was an allocation of £9.151m to support Urban Communities in the town centre, with the clear intention of bringing life back to the very run-down town centre.

Response:

Middlesbrough's entire LA boundary is the eligible area for Middlesbrough's Town Deal.

Economic drivers are a significant component but not exclusively so – local determination is a key tenet of the programme, which has enabled investment in Ward Initiatives; Community Hubs; and, the North Ormesby Nature Reserve.

The original Towns Fund bid was indeed weighted towards town centre areas and the Urban Living and Placemaking theme was aimed to assist investment in an underdeveloped market. Agenda Item 5 of 4 December 2023 sets out why the market-place has changed – pushing schemes further from viability.



Query 2 (continued): In the agreed bid with Government there was an allocation of £9.151m to support Urban Communities in the town centre, with the clear intention of bringing life back to the very run-down town centre.

Response:

This necessitated the Project Adjustment Request and departure from the original business case ethos.

In preparation of the arrangements for the MDC, The MDC Chief Executive issued a 'cease and desist' letter (on behalf of MDC) to partners we were talking with, all third-party conversations had been held in abeyance. To meet Towns Fund delivery timescales, this necessitated the consideration of alternative delivery arrangements which did not conflict or overlap with MDC proposals.



Query 3 : changes to this plan, for submission to DLUHC, constitutes 42% of the entire allocation away from town centre investment to fund social care – such as sheltered accommodation, children’s care and homelessness to support the Council’s adult and children’s social care overspend

Response:

Town Deal monies are capital and cannot be spent on service delivery costs.

The exact locations of the capital interventions have not been finalised – awaiting PAR outcome.

The Adult and Children’s social care projects amount to £4m or 18.2% of the entire programme.

Investment IS likely to have a long-term, beneficial impact upon Council revenue costs.

Preventative social care measures have a propensity to deliver long term benefits in terms of promoting economic activity in the user groups.



Query 4: the decision was taken just three working days after the Middlesbrough Development Corporation approved a scheme for the development of a mixed use scheme for the Civic Centre in the heart of the town which meets all of the criteria of the Town Deal allocation. This approval was predicated on an investment of £2m of Town Deal funds that the Council had allocated to the developer to deliver the scheme - something of which I, and I believe all other Board members, was unaware.

Response:

the Town Deal Board, and Middlesbrough Council acting as secretariat support, were not aware – prior to this letter – that a project sponsored by the Middlesbrough Development Corporation (MDC) had erroneously cited reliance on £2m of Town Investment Plan funds, to match a town centre residential development.

In relation to the MDC proposal, Middlesbrough Council has not seen a business case, nor any designs, not anything to appraise, nor any formal request for funds.



Summary

The nature of the PAR is legitimate in terms of scoped activity, geography and process.

Had a qualifying proposal for co-funding been communicated to the Town's Fund Secretariat, this would have been brought to the attention of the Town Deal Board.

The PAR has been submitted and, as a concern has been raised, is likely to undergo additional departmental scrutiny.

We would stress to Board Members that all information provided has been accurate in terms of funding criteria and all advice has been provided in good faith.

The minutes of 4th December 2024 will be revised to reflect Sir Simon Clarke MP's voting decision.





Questions and clarifications?



Towns Fund Board
Friday 2nd February 2024 at 2pm via Teams

Present:

Chris Cooke - Mayor of Middlesbrough
Clive Heaphy - Middlesbrough Council Chief Executive
Adam Suleiman – Cities and Local Growth Unit
Sir Simon Clarke - Member of Parliament for Middlesbrough South and East Cleveland
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Laura Sillars - Dean of mima School of Art & Design Teesside University
Gary McDonald – TVCA

In attendance

Sam Gilmore - Head of Economic Growth and Infrastructure MBC
Louise Antill - Towns Fund Programme Manager
Bill Vince – Arts Council

1.	Election of a temporary Chairperson Clive Heaphy opened the meeting, to comply with the constitution of the board, nominations were sought for a temporary Chair. Mayor Chris Cooke was nominated by AMc as temporary Chair, the proposal was seconded by RA. The Board agreed he chair the meeting.
2.	Apologies and declarations of interest Apologies: No apologies received. Meeting was quorate. Declarations of Interest: N/A
3.	Minutes from previous meeting Minutes were agreed as a true record.
4.	Urban Living discussion SG set the context for the meeting. Following the previous Board meeting of 4 December 2024 CH received a letter from SC withdrawing his support from the proposal to submit a Project Adjustment Request (PAR) to DLUHC to change the structure of the Urban Living Programme. SG addressed the issues raised in the letter as follows:

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The original Towns Fund bid was indeed weighted towards town centre areas and the Urban Living and Placemaking theme was aimed to assist investment in an underdeveloped market. Agenda Item 5 of 4 December 2023 sets out why the market-place has changed – pushing schemes further from viability.

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In relation to the MDC proposal, Middlesbrough Council has not seen a business case, nor any designs, not anything to appraise, nor any formal request for funds.

Summary

The nature of the PAR is legitimate in terms of scoped activity, geography and process.

Had a qualifying proposal for co-funding been communicated to the Town's Fund Secretariat, this would have been brought to the attention of the Town Deal Board.

The PAR has been submitted and, as a concern has been raised, is likely to undergo additional departmental scrutiny.

We would stress to Board Members that all information provided has been accurate in terms of funding criteria and all advice has been provided in good faith.

The minutes of 4th December 2024 will be revised to reflect Sir Simon Clarke MP's voting decision.

A discussion took place:

SC informed the group that his withdrawal of support followed a conversation with the Tees Valley Mayor who informed him that £2m of Towns Fund money was earmarked for a Mayoral Development Corporation (MDC) development. SC had requested MDC Board minutes from 29 November 23 and 24 January 2024 to facilitate clarification, however they were not available in time for the meeting. However, they should be ready for 5 February 24.

Regardless of what has been agreed SC felt that the use of Towns Fund money would better fit with the economic aims of the fund through investment in the MDC Civic Centre project than the proposal to invest capital resource in Social Care housing schemes.

CC clarified that the MDC cannot make decisions on the use of Towns Fund money.

	<p>GMc stated that without Towns Fund resource there was a gap in the funding and no alternative had yet been sought.</p> <p>CH stated that Middlesbrough have a formal process to apply for Town Deal money and nothing had been received by the MDC. Board papers for the 4 December 23 went out a week before the meeting and no issues were raised regarding the PAR.</p> <p>ZL confirmed that there was sufficient time to look at the Board papers and nothing was raised at the time.</p> <p>CC highlighted that the proposed Social Care investment would reduce the number of people who were not currently economically active.</p> <p>SG stated that the move away from Town Centre living was due to viability and felt the proposed schemes would best align with the programme and meet the prescribed outputs. Should a scheme come forward from the MDC due diligence on viability would need to be carried out.</p> <p>AMc felt that as all papers were circulated, a decision was made following proper governance, therefore the decision made on 4 December 24 should be respectfully observed.</p> <p>SC stated that CC and CH were present at the MDC Board of 29 November 23 and were aware of the Civic Centre proposal.</p> <p>LS felt that as proper governance is in place, it is alarming to reconsider decisions that had already been agreed.</p> <p>SG confirmed that the PAR would utilise the balance of the funding available and there was no scope for other applications.</p> <p>CH would expect MDC to have formally requested funding from the Town Deal Board.</p> <p>AS stated, that the PAR had been initially looked at but is likely to be now called in for further scrutiny. However, DLUHC allow the Board to deliver the best course of action regarding the schemes delivered.</p> <p>It is possible to withdraw the PAR, should an application come forward from MDC.</p> <p>CH to write to MDC asking for a suitable Business Case and setting out the formal process for applying for funding.</p>
<p>8.</p>	<p>Any other business</p> <p>Outside of meetings SG will be the contact for any concerns raised by Board members.</p> <p>A new permanent Chair will be proposed at the next Town Deal Board, which will be arranged shortly.</p>
<p>9.</p>	<p>Date and time of next meeting</p> <p>TBC</p>