

AGENDA
MIDDLESBROUGH TOWNS FUND BOARD
May 2021 – (virtual meeting)

1.	Apologies and declarations of interest	
2.	Minutes from previous meeting (enclosed)	
3.	Constitution adoption / vice chair (paper sent prior)	
4.	College Business Case (paper sent prior)	
5.	Strategic Context Presentation – Consolidated priorities and funding	
6.	Work programme – timescales for business cases to come forward	
7.	Community Engagement – Ward Initiatives (on screen)	
8.	Date and time of next meeting: 1p.m. Friday 20 August 2021- location / online TBC	

Towns Fund Board
Friday 26th March 2021 at 11.00am via Webex

Present:

Andy Preston, Mayor of Middlesbrough
Tony Parkinson, Middlesbrough Council Chief Executive
Andy McDonald, Member of Parliament for Middlesbrough
Gary Macdonald, Group Director of Finance and Resources TVCA
Thomas Smith, Life Sciences Public Engagement Expert
Adam Suleiman, Cities and Local Growth Unit BEIS
Zoe Lewis, Principal and Chief Executive Middlesbrough College
Ian Wardle, Group Chief Executive Thirteen Group
Laura Sillars, Dean of mima School of Art & Design Teesside University
Daryl Thomlinson, Cleveland Police
Rachel Anderson, Assistant director of Policy NECC

In attendance

Andrew Perriman, Head of Legal Services MBC
Sam Gilmore, Head of Economic Growth and Infrastructure MBC
Louise Antill, Towns Fund / FHSF Programme Manager MBC

1.	Apologies and declarations of interest Apologies: Richard Horniman submitted apologies Andy McDonald raised the importance of transparency and appropriate declarations of interest in any governance and decision making of the group. Andy Preston declared an interest in property located in the Middlehaven area, as a decision was going to be made on where Towns Fund resource would be allocated and the Middlehaven area was one of those areas, AP withdrew from the meeting and Tony Parkinson took over as chair.
2.	Minutes from previous meeting Minutes of last meeting agreed as a true record.
3.	Membership / Admin changes confirmed Following Kevin Parkes retirement, it was agreed that Richard Horniman Director of Regeneration and Culture would take his place on the Board; in a non-voting capacity.
4.	Board administration / voting rights and quorum Andrew Perriman, the Council's Head of Legal Services was invited to discuss the administration of the board and ensure a system was in place for any Board members to declare their interests in any decisions taking place. It was agreed that Andrew would review and rewrite a Constitution for the board.

<p>5.</p>	<p>Revised programme and fast track preferences debate</p> <p>Sam Gilmore delivered a presentation detailing the programme of funding submitted and details of the funding Middlesbrough was awarded. Funding applied for was £25m and funding received was £21.9, therefore the programme needs to be reduced by £3.1m. The presentation made a number of suggestions on how the reductions could be made, based on how developed each of the projects are. The Board agreed the savings proposals debated.</p> <p>£1.875m would be withdrawn from the Urban Living programme</p> <p>£225k was removed from Centre Square Integration</p> <p>£1m was removed from the adaptation/consolidation of Civic spaces at the Town Hall and Central Library.</p> <p>The Towns Fund programme allows for projects to be fast tracked, as the Building a Knowledge Economy has a requirement to start on site in the next month, it was suggested that it be put forward for fast track.</p>
<p>6.</p>	<p>Middlesbrough College presentation</p> <p>Further to the above fast track project, Zoe Lewis gave a detailed presentation on the overall developments at Middlesbrough College and the contribution the Towns Fund resource will make.</p> <p>The Board approved Middlesbrough College's Expansion programme, investment of £1.175m, to be fast tracked, given its advanced progress. This decision commits the funding subject to completion of the detailed business case documentation.</p>
<p>7.</p>	<p>Next steps and Timescales</p> <p>By early May, key documentation needs to be completed detailing the amount each project requires, outputs and outcomes and how conditions of funding will be met etc. and submitted to MHCLG.</p> <p>Business cases can then be written for each project and submitted to the Board for local assurance and sign off, once these are agreed summary documents will be collated and submitted to MHCLG to access payment.</p>
<p>6.</p>	<p>Any other business</p> <p>Tony Parkinson would like a strategic overview of how the Towns Fund fits with other key funding streams to be presented at the next Board meeting.</p>
<p>8.</p>	<p>Date and time of next meeting</p> <p>21st May 2021 – 11am</p>

Towns Fund Board

Constitution

1. Aim:

To advise the Middlesbrough's Town Deal Board on the development of a strategic Town Investment Plan. The Town Investment Plan will oversee the delivery of the strategic Economic Development priorities for Middlesbrough and will have an active role in the delivery of the Town Deal financial settlement.

Building on the existing Tees Valley Strategic Economic Plan, Mayoral Priorities, Local Industrial Strategy, City Centre Strategy, Cultural Strategy and Investment Prospectus, the Board will prioritise economic growth interventions, which improve the economic performance of Middlesbrough for businesses and residents.

2. Responsibilities:

- a. Middlesbrough Council is the Lead Authority
- b. Provide a strategic vision for creating the right place to live, work and play within, to achieve the following:
 - a. encouraging investment into Middlesbrough;
 - b. attracting new employment to Middlesbrough;
 - c. attracting more visitors to Middlesbrough;
 - d. increasing skills and employability of Middlesbrough residents;
 - e. increase the volume of quality employment opportunities to Middlesbrough;
 - f. attract and retain skills and talent;
 - g. Making Middlesbrough a place to invest; and,
 - h. challenging existing perceptions of Middlesbrough.
- c. Ensuring that sufficient investment is aligned to meet the economic development aspirations of Middlesbrough; maximising opportunities for private leverage.

- d. Enabling growth of urban living as a vehicle for economic growth, ensuring a sufficient range of quality is available.
- e. Provide a strategic vision to support, diversify and grow Middlesbrough's town centre.
- f. Provide a strategic vision to support and grow the area's leisure and cultural offer
- g. To ensure that any other key issues emanating from local, national and Tees Valley strategies are represented.
- h. To oversee and monitor activities of the Town Deal / Town Investment Plan.
- i. To make recommendations to the Town Deal Board on strategic investment decisions.

3. Procedure

- a. The Town Deal Board is an opportunity for positive engagement and communication between Middlesbrough stakeholders. General operational issues or day to day management can be raised with the appropriate Council department.
- b. Notification of the venue will be issued at least one week prior to the meeting.
- c. Chatham House rules apply, although an action sheet will be circulated after each meeting.
- d. The agenda for future meetings will be agreed at the preceding meeting.
- e. Profiles of Board Members to be published on Middlesbrough Council Website (Appendix A to this Constitution)
- f. All Board papers to be published on the Middlesbrough Council's website in advance of the meeting (within 5 clear working days)
- g. To promptly publish draft minutes of meetings on the Middlesbrough Council's website following the meeting (within 10 clear working days)
- h. To publish final minutes on the Middlesbrough Council's website, once approved by the Board at the following meeting (within 10 clear working days)
- i. Members of the Board shall abide by the Code of Conduct and return Declaration of Interests on an annual basis.
- j. The Board shall give due consideration to all laws and regulations as appropriate.
- k. The Board will, from time to time, consider projects and proposals of a "commercial in confidence" or sensitive nature. All Board Members and Observers will observe the need for confidentiality in this respect.

4. Meeting arrangements

- a. The Town Deal Board will meet quarterly – unless otherwise agreed.
- b. The board will make decisions and recommendations, which will be managed, monitored, delivered and reported by Middlesbrough Council Economic Growth and Infrastructure staff; overseen by Middlesbrough Council’s project management and governance arrangements.
- c. Middlesbrough Council will provide secretariat support for the Town Deal Board.

Voting on appointments

- a. The Town Deal Board will be Chaired by the Elected Mayor of Middlesbrough and a Vice Chairperson will be elected from the wider membership.
- b. If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

Quorum

- a. Quorate membership attendance for decision making is three members.

Voting

- a. Each member of the Board shall have one vote, which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Board.
- b. Any matter will be decided by a simple majority of those members present and voting at the time the question was put.
- c. If there are equal numbers of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote.
- d. Some senior Council / Civil Servant representatives may be in attendance from time to time; without any voting rights.
- e. If a matter that is considered by the Board is one where a Board member, either directly or indirectly has a prejudicial interest (see Appendix B), that member shall not be permitted to vote at the meeting and not take part in discussions.

Substitutions

- a. A substitute may be designated for each member of the board. That substitute shall have equivalent status of the member on the Town Fund Board and this constitution will apply to each substitute as if they were a full member.
- b. At the commencement of a meeting at which a substitute is to attend as substitute they shall identify the member for whom they substitute, who shall be excluded from participating in that meeting and for whom there shall be no further substitution at that meeting.

5. Code of Conduct

- a. In line with the principles of public life, it is important that there is transparency around the operation of the Town Fund Board. Transparent decision making is supported by the publication of information on the Middlesbrough Council's website.
- b. Members of the Towns Fund Board are required to uphold the Principles of Public life, when acting in their capacity as a member of the Towns Fund Board , as set out below:

Selflessness:

Holders of public office should act solely in terms of the public interest;

Integrity:

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships;

Objectivity:

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias;

Accountability:

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this;

Openness:

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing;

Honesty:

Holders of public office should be truthful; and

Leadership:

Holders of public office should exhibit these principles in their own behaviour.

They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

6. Declarations of interests:

- a. It is noted that members of the Towns Fund Board have a number of roles and need to be alert to the potential for conflicts of interests which may arise whilst acting in their capacity on the Towns Fund Board.
- b. Members must comply with the requirement to register, disclose and withdraw from participating in discussions and/or votes in respect of a matter in which they have a personal Interest. (see appendix B)
- c. Any conflicts of interest reported to be formally noted within the published minutes. The clerk will keep a register of interests (Appendix C)

MIDDLESBROUGH TOWNS FUND BOARD

MEMBERSHIP

1. Andy Preston – The Mayor of Middlesbrough (Chair)
2. Representative of Ben Houchen – Tees Valley Mayor
3. Zoe Lewis – Principal and Chief Executive of Middlesbrough College
4. Paul Croney – Vice Chancellor of Teesside University
5. Rachel Anderson – North East Chamber of Commerce
6. Ian Wardle – Thirteen Housing Group
7. Marie Kiddell – Homes England
8. Nicholas Baumfield – Arts Council England
9. Mark South – Double11/LEP/DigitalCity
10. Tom Smith - Chair of EmPower Middlesbrough
11. Andy McDonald – Member of Parliament for Middlesbrough
12. Simon Clarke – Member of Parliament for Middlesbrough and East Cleveland
13. Business Representative – Gary Dawson (AV Dawson’s logistics)
14. Business Representative – Stephen Black – Tier One Capital / GB Bank
15. Business Representative – Alex Bell – Marks and Spencer Manager
16. Middlesbrough FC – Robin Bloom / Neil Bauser
17. Tony Parkinson – CEX Middlesbrough Council
18. Transport – Nick Knox – MD Arriva NE / Northern
19. Job Centre Plus – Cath Robson
20. Richard Lewis – Cleveland Police
21. Paul Wright – New River Retail

Declarations of Interests – Guidance for Towns Fund Board Members:

PERSONAL INTERESTS

In all Towns Fund Board meetings members must, where appropriate, declare a personal interest to be recorded in the minutes of the meeting. You must declare this at the start of the meeting or as soon as it becomes clear to you that a personal interest exists.

IF YOU DECLARE A PERSONAL INTEREST YOU CAN REMAIN IN THE MEETING, SPEAK AND VOTE ON THE MATTER, UNLESS YOUR PERSONAL INTEREST IS ALSO A PREJUDICIAL INTEREST.

You have a personal interest where it involves;

- a. An interest you have registered. All members must sign and declare all interests on the declaration of interests form. The Clerk can give guidance if members are not sure.
- b. Members need to declare on the Register their membership of other Local Authority bodies and any bodies exercising functions of a public nature, as well as the members' job, any gifts over £25, any contracts between the member and the local authority.
- c. Where the well-being, or financial position of the member, members of their family, or people with whom they have a close association is likely to be affected by the business of the meeting more than it would affect most people in the area.
- d. If your interest arises solely because you are a member of another body in the authority eg school governor or any public body in another authority, you do not need to declare an interest unless you wish to speak on the matter.
- e. Members with a declared personal interest may speak on the matter and vote.
- f. If members do not speak they may still vote without making a declaration.

PREJUDICIAL INTERESTS

In some circumstances, your Personal Interests may also be considered to be Prejudicial.

In this situation, you need to declare the fact that you have a Prejudicial Interest and its nature before the issue is debated.

YOU SHOULD NOT TAKE PART IN THE DEBATE OR VOTE.

A Members personal interest will also be a prejudicial interest if all of the following conditions are met

- a. The matter being discussed affects their financial position or that of any person, organisation or business with whom they have a personal interest.
- b. Where a member of the public who knows the relevant facts would reasonably think the members personal interest is so significant that it may prejudice their judgement.

The decision to declare an interest will always turn on the particular facts and it is clearly necessary for all members to grasp the rationale and thinking behind the Code and if in doubt seek advice from your clerk. It is each member's responsibility to declare all such interests.

MIDDLESBROUGH TOWNS FUND BOARD

**Notification by a MEMBER
of
Personal Interests under the Members' Code of Conduct**

Please read the attached notes when completing this form.

Name (in full)

I hereby give notice of the following personal interests (please state "none" where appropriate)

<p>1 Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated.</p>	
<p>2 Any body - (a) exercising functions of a public nature; (b) directed to charitable purposes; or (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management.</p>	
<p>3 Any employment or business carried on by you.</p>	
<p>4 Any person or body who employs or has appointed you.</p>	
<p>5 Any person or body who has a place of business or land in the Council's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower).</p>	
<p>6 Any contract for goods, services or works made between the Council and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph 5 above.</p>	
<p>7 Any person from whom you have received a gift or hospitality with an estimated value of at least £25.</p>	

8 Any land in the Council's area in which you have a beneficial interest.	
9 Any land where the landlord is the Council and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph 6 is, the tenant.	

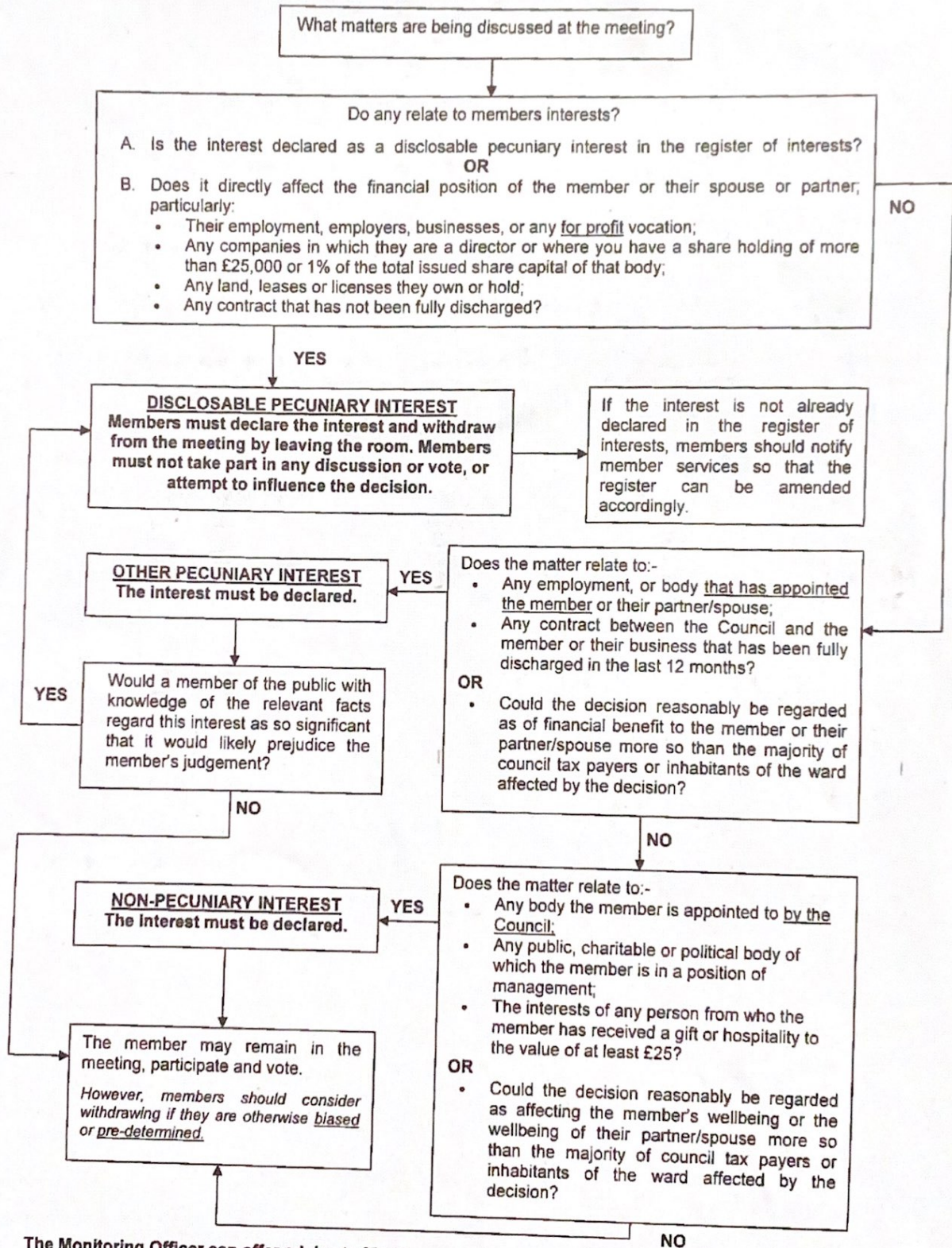
Signed _____

Dated _____

Signed _____
CLERK

Dated _____

DECLARATION OF INTERESTS – GUIDANCE CHART FOR ELECTED MEMBERS



The Monitoring Officer can offer advice to Members on whether to declare an interest; but the final decision about whether to declare an interest or whether it is right to participate in discussion or voting remains one for elected members. Declarations of Interest must be declared within 28 days of becoming aware of the interest

TOWNS FUND

BUSINESS CASE

PROJECT SUMMARY

WHAT IS THE INVESTMENT PROPOSAL?

Please provide an overall summary of your proposed project.

Organisation: Middlesbrough College

Brief summary of proposal:

The College has produced a campus master plan which looks at available space and funding sources to address its campus needs.

The college is co-investing £12m in the development of the Middlehaven campus with the following schemes currently underway:

Development	GIFA	Cost	Opening
Institute of Technology	1100	£3.1m	May 2021
T Level digital centre	1600	£4.4m	September 2021
T Level construction centre	562	£1.0m	August 2021

In addition, the college is investing a further £3.5m of its own resources in the existing campus and its digital strategy for completion in Summer 2021.

The request for Towns Funding of £1.175m increases the current investment programme to £13.1m.

These developments will create an additional 3262m² of GIFA, providing space for an additional 800 learners linked to T Levels which will provide high-quality technical education to meet the future skills needs for the economy and employers and higher education degree courses, increasing the attainment levels of education for local residents.

The project directly contributes to the investment in the quality and quantity of educational provision within Middlesbrough; enhancing educational infrastructure to increase the educational attainment levels of our population.

The project links the campus, and 20,000 annual footfall, more closely to transport links, education and business neighbours and towards the town centre – raising the profile and accessibility of work experience opportunities and helping transition between secondary and post 16 education.

To ensure that our proposed investments can be fully delivered, can integrate with neighbouring developments including the new school, our new local digital businesses and the BOHO development and addressing digital poverty, whilst providing an expanded offer for student entrepreneurs, Towns Funding can be aligned to:

- expand availability for external student entrepreneurial / work experience spaces;
- enhance student and visitor facilities, commensurate with expansion; and
- create an external social area for both our students and local residents which positively promotes the area.

The project is located at Middlehaven on Middlesbrough College's existing £100m campus, further improving the existing skills infrastructure.

Brief narrative summary of impact of proposal, drawing from your economic case:

There are positive economic returns to formal education for the individual, the employer and the economy as a whole. The effect of educational attainment can be particularly strong when this leads to completion of a qualification and upgrading of a person's education level resulting in potential for higher wage returns. Regarding vocational qualifications, positive wage returns have been found specifically for vocational qualifications and apprenticeships at Level 3 and above.

Middlesbrough College, serves 13,000 students in all sectors of the economy from entry level to level 7. Of the circa 4000 full time 16-18 year olds students, approximately half are studying at level 3. In 2008 it relocated to a brown field regeneration site adjacent to the town centre and since that date the campus has expanded, now being £100m and over 42000m² of useable space.

The college has forged strong links with the town centre and public transport infrastructure, increasing footfall year on year in this area through student engagement and opening the facilities to members of the public for health and leisure purposes.

Investment provides a range of high quality external business pods for business student entrepreneurial activities, supported internships for the most vulnerable and additional work experience placements for those not yet ready for an external work placement. This will in turn inspire future generations to consider technical education as their preferred routeway, improving social mobility, reducing skills gaps and increasing aspirations for the local community.

Workers and employers tend to share the returns from training and its costs. Better occupational skills may lead to positive returns to employers. Raising the proportion of workers trained in an industry by five percentage points is associated with a four per cent increase in value added per worker. Human capital investments are associated with higher Gross Domestic Product and lower inequality. Higher levels of qualifications and skills (tertiary education or level 4-5 vocational qualifications) can help to propel economic growth.

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The links with local employers here are strong, producing talent of the future and addressing the existing local industry skills gap.

COVID-19: The education sector is uniquely impacted by the pandemic. Social distancing measures mean that workspace is at a premium and educational institutions are adapting to accommodate demand. The employment impacts of the pandemic is likely to increase the influx of those choosing to retrain or stay on in education, across both adult and younger person demographics. This capacity will ensure that the workforce can be reskilled and upskilled to adapt to the economic fall out of the pandemic.

Clean Growth Principle: Middlesbrough College, and the wider Middlehaven estate, is renowned for the highest standards in terms of iconic architecture and green credentials. Students are extremely environmentally conscious and it is a minimum expectation that their working environment shares those values. Similarly, the structure of the developments in the educational provision will give the students skills in green technologies and a chance to develop the sector in the future.

Overall funding requested from the Towns Fund:

The funding request is detailed over the individual project elements below:

MC Towns Fund investment	Funds request
Campus Heart	£596,000
Reception / Visitor Experience	£220,000
Learning Resource Centre (LRC)	£184,000
Town Centre Unit	£175,000
Total	£1,175,000

KEY MILESTONES

5-10 bullet points or a diagram for key events, such as: when project is expected to begin and completed. Other important key milestones e.g. final consultation, completion of bidding process, contracting third party, evaluation etc.

The key milestones for the Towns Fund supported investment projects are set out below:

	Campus Heart	Reception	LRC
Design Period	01/10/20 – 03/03/21	04/01/21 – 19/03/21	04/01/21 – 09/04/21
Tender Period	03/03/21 – 24/03/21	22/03/21 – 19/04/21	23/04/21 – 14/05/21
Evaluation	24/03/21 – 31/03/21	19/04/21 – 26/04/21	14/05/21 – 21/05/21
Tender Award	01/04/21	03/05/21	28/05/21
Contract Award & Approvals	01/04/21 – 09/04/21	10/05/21 – 20/05/21	04/06/21 – 14/06/21
Construction period	26/04/21 – 27/08/21	05/07/21 – 20/08/21	05/07/21 – 20/08/21
Practical completion	27/08/21	20/08/21	20/08/21

The Town Centre Unit will require some refurbishment works and this is to be determined in due course.

STRATEGIC CASE *What we re doing, and why*

Please limit the Strategic Case to 300-500 words.

Background

What is the need for investment?

Skills and opportunity are the most significant factors in the improvement of the quality of life and outcomes for residents. A skilled population drives economic growth through business start-up rates, investment, employment creation and wealth generation. Skills need to be matched with

appropriate local employment opportunities, to retain the benefits of education in the local talent pool.

The number of school leavers is increasing by circa 50% across the Middlesbrough Local Authority area, therefore increasing demand for college places. In light of the rising demographics a report was commissioned that concluded that Middlesbrough College is currently operating much more efficiently than the sector average and that it required circa 8000m² of additional space over the next ten years to accommodate students.

MHCLG intervention

Rationale for why government needs to intervene, and what would happen if the project or programme were not undertaken. What is the market failure being addressed?

The land for the proposed expansion is secured and designs are well developed, with professional advisers appointed to RIBA Stage 3. Proposals are consistent with the planning policy in the area.

Covid-19 places strain on the levels of students which can be safely accommodated within the campus, so this proposal goes further to ease that pressure. Similarly, the college will be critical in skilling and reskilling those made redundant from the underlying economic conditions; as they manifest in the local economy.

Without intervention this critical element of the college expansion would be aborted or scaled down to a level which would not deliver the key objectives or outcomes and fail to address local economic needs.

Objectives

Specify the key objectives and high-level outcomes the investment is aiming to achieve and by when.

Project key objectives:

- Increase in capacity and accessibility to new or improved skills facilities
- Increase in the breadth of the local skills offer that responds to local skills needs
- Increase in the amount of shared workspace or innovation facilities (2,967sqm)
- Increased and closer collaboration with employers (additional employer / business engagements)
- Student Numbers increase 10%

High level outcomes by 2025:

- Number of new learners assisted - target 2,000
- % of learners gaining relevant experience/being 'job ready' (as assessed by employers) – 10% increase
- Perceptions of the place by residents/businesses/visitors – 80% improved
- Reducing digital poverty in learner cohorts – 20% improved

Stakeholder issues

Identify and explain any stakeholders and support for the proposal. How have stakeholders been engaged in the process and how will they be engaged going forward.

The key stakeholders are the learners and local community that the College serves. The college has engaged its learners in its review of the investment programme to determine how enhanced facilities can provide entrepreneurial opportunities, improve facilities and address digital poverty.

Improving knowledge and skills is a key priority, including addressing the local digital poverty gap. This investment is aligned to addressing these needs now and in the future to increase attainment levels of the local community and better preparing them for employment opportunities.

Dependencies and Constraints

What are the dependencies on other programmes? What is the project or programme constrained by?

There are no inter dependencies on other programmes.

The project is only constrained by funding support, without which would result in abortion of the project or scaling down to a level which would not deliver the key objectives or outcomes and fail to address local economic needs.

Key Risks

What are the key risks to the success of the project?

Key risks:

- timing of funding approval and receipt
- appointment of contractors timely
- project timeline completion for Summer 2021

FINANCIAL CASE *How much it will cost, and how it will be funded*

Please limit the Strategic Case to 300-500 words.

Financial profile

	19/20	20/21	21/22	22/23	23/24	Beyond	Total
Existing Funding (i.e. funding already committed)	£m	£3m	£9m	£m	£m	£m	£12m
Co-funding to be leveraged	£m	£1m	£m	£m	£m	£m	£1m
New Funding: [Add a new row for each expenditure type]	£m	£m	£m	£m	£m	£m	£m
TOTAL	£m	£4m	£9m	£m	£m	£m	£13m

Ensure this table agrees with the table in the Summary Page

Source of funding

Please provide further detail on sources of funding that are already committed, as well as co-funding that will support the programme.

Funding already committed is to the value of £12m. Of this, the college is investing £6m of its own resources with the balance grant funded through DfE capital funds.

The college requires Towns Fund assistance of £1.175m to complete the overall investment programme.

Financial appraisal

Set out the financial costs of the project.

The table below sets out the detailed budget for each element of investment requiring construction contractors:

Budget	Campus Heart	Reception / Visitor Exp	LRC	Town Centre Unit	Total
Construction	£447,393	£150,000	£70,000		£667,393
Fees	£44,207	£7,500	£7,000		£58,707
Contingency	£30,000	£7,500	£7,000		£44,500
FFE	£30,000	£20,000	£100,000		£150,000
Client Costs	£44,400	£35,000	£0	£175,000	£254,400
Total	£596,000	£220,000	£184,000	£175,000	£1,175,000

Financial risks

Please detail financial risks which would affect the timing of delivery of the proposed scheme.
Please also include financial risks which would affect the quality and output of the proposed scheme.

Risk	Likelihood	Mitigation
Grant funding not approved	M	The College would reluctantly reduce or remove the scheme if funding is not secured.
Project overspends / budget exceeded	M	The costing analysis includes a 7% combined level of contingency to take into account the current economic climate and uncertainty in the construction sector. Should the contingency not be sufficient, value engineering solutions would be identified to bring the project back to within available resources.
Opening delayed beyond Sept 2021 through approval delay and / or contractors unable to meet timescales / deadlines	M	A delay to the deliverability of the projects will impact on the works being completed for the forthcoming academic year. Whilst disruption may result, the college will manage this carefully from a public relation and health and safety position.
Brexit or COVID-19 impact on labour, resource, tariff and materials with both key contractors and their supply chain	M	Early engagement with contractors will be undertaken. A robust procurement route and selection of tendering is planned. Contingency is built into budgets, contracts will include clauses to protect client interests and pass as much risk as possible onto the contractor.
Capital fund receipts are not aligned to the cash flow phasing commitments to construction parties, creating a negative cash out flow prior to receipt of funds	L	The College has sufficient headroom in its £7m revolving credit facility to service short delays in the receipt of capital funds. Careful planning of timing of cash flows will be undertaken and consultation with key construction partners to ensure that cash flow commitments can be met timely.

Ownership:

The Vice Principal – Finance & Registry is responsible for the identification, recording, reporting, monitoring and mitigation of the financial risks identified.

Oversight:

The Governing Body is responsible for the oversight of the financial risks and to satisfy itself that the risks are being actively managed with the appropriate controls in place.

Shortlisted options (Min. 3)	SWOT Analysis					Potential VFM	Conclusion
	Meeting Spending objectives	Strategic fit	Achievability	Supplier capacity and capability	Affordability		
1 – Do nothing	Does not meet investment priorities	Does not deliver growth opportunities	Can not be achieved in current year 2020-21	No requirement for reliance on suppliers	Does not require additional funds, budget position not impacted.	Economy – requires no additional funds Efficiency-services will not be delivered Effectiveness - minimal impact using no additional resource.	Does not meet investment priorities, and will not provide the additional facilities required by students.
2 – Do minimum	Meets some but not all investment priorities	Delivers some growth opportunities but not all	Can be achieved in 2020-21/ 2021-22	Dependant on Towns Funding approval. Will reduce scheme and require re-work of design	Requires Towns Funding approval, project at risk without funds	Economy – uses a combination of resources Efficiency-Committed costs will be lost on developed design. Tender processes will need to be stopped and specifications re-written. Effectiveness - provides low level change, to both the immediate area, and to surrounding wider town centre, footfall increase not optimised.	Meets some but not all investment priorities. Impact of change minimised. Investment payback not optimised.
3 – Preferred Option	Meets all investment priorities	Delivers maximum growth opportunities	Can be achieved in 2020-21 / 2021/22	Dependant on Towns Funding approval. Timeline established for procurement of services, dependant on local	Requires £1.175m of Towns Funding, project at risk without funds	Economy – uses a combination of resources Efficiency-Project design in place, tender processes commenced	Meets all investment priorities, project is deliverable. Early assessments indicate that this option is deliverable, and

				supplier ability to meet timescales.		for contractor works. Effectiveness - provides considerable change, to both the immediate area, and to surrounding wider town centre, increasing footfall.	affordable if the £1.175m Towns Funding is approved. It meets the planned, and aspirational needs, and provides the majority of change.
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COMMERCIAL CASE *How will the project or programme be delivered?*

Please limit the Strategic Case to 300-500 words.

Market Analysis

Please provide details of how the proposed scheme fits with local demand.

The number of school leavers is increasing by circa 50% across the Middlesbrough Local Authority area, therefore increasing demand for college places. In light of the rising demographics a report was commissioned that concluded that Middlesbrough College is currently operating much more efficiently than the sector average and that it required circa 8000m² of additional space over the next ten years to accommodate students.

Delivery Confidence

Provide evidence to demonstrate confidence in your ability to deliver your scheme within the time and budgetary constraints.

You should demonstrate a suitable governance structure for the delivery of your scheme reflecting established best practice.

You should demonstrate that the overall level of skills and capabilities are in place within the scheme delivery team now, as well as demonstrating their availability in the future.

Middlesbrough College is well experienced in the delivery of large scale capital investment programmes, on time and on budget, having delivered significant capital investment programmes on Middlehaven since 2008 to the value of £100m with the existing Principal/Chief Executive and Strategic Projects Manager being in post throughout.

In addition, key members of the senior management team have a hands on role in ensuring that projects are appropriately evaluated, risks considered, progress monitored and reported and budgets are managed closely in order to ensure project deliverability aligned to the key objectives.

The college has in place an established Strategic Projects Steering Group, with the following purpose:

- To drive, oversee and monitor capital funding bids and strategic capital projects, their establishment and development going forward

Operating under the following Terms of Reference:

- To create, manage and co-ordinate activities relating the establishment and development of the College Strategic Capital Investments Programmes

- To receive reports from project leads managing strategic working groups, Curriculum Development, Staffing, Marketing, Constructions Projects, and receive Financial and Budget updates
- To ensure timely and accurate reports are provided to Governors, DfE and other agencies
- To create and monitor progress against an overall action plan
- To make decisions involving finance, human, cultural or other implications in relation to the development.
- To review project risk registers and take appropriate actions.

Delivery model

Who will deliver the programme/investment? What procurement might be needed?

The college has appointed an external professional advisory team up to RIBA stage 3 who are responsible for project management and deliverability. The team appointed are competent and experienced and have worked on multi million pound projects over many years.

The college employs a full time Strategic Project Manager and Project Co-Ordinator working closely with the professional advisory team who report back directly to the Project Steering Group with the Governing Body responsible for project oversight.

Public Procurement regulations will be followed to appoint contractors through competitive tender processes. A full evaluation process is scheduled to score quality, price and deliverability. Recommendation to appoint contractors will be approved by the College Governing Body.

Payment mechanisms

Contractor payments will be managed through the externally appointed professional advisor Quantity Surveying team who will perform monthly valuations of work to date and provide certification of works to release funds to the core contractors.

The college will use project cash flows to forecast levels of payment throughout to ensure that funds are available and timely payments can be honoured.

Contractual issues

Note any known or anticipated legal, contractual or procurement issues

There are no known or anticipate legal, contractual or procurement issues.

MANAGEMENT CASE *How will delivery of the programme/project be planned, monitored and overseen to evaluate and ensure its success?*

Please limit the Strategic Case to 300-500 words.

KPIs, Monitoring and oversight

How will you monitor spending and delivery against expected milestones and outputs and outcomes?

- Robust budget setting, including affordability assessment, monitoring and formal reporting will be in place, aligned to the organisations financial regulations and control.
- Regular critical path management and programme assessment with regular monitoring and reporting on key timeline activities.
- Regular monitoring of KPI's, reporting to the Steering Group and Governing Body.

Performance issues will be reported immediately to the Steering Group who will take action to mitigate risks and approve key decisions in order to ensure performance issues are addressed accordingly.

Regular progress reports will be made to the accountable body, regarding spend and achievement of outputs, this information will be summarised and presented to the Town Deal Board at their scheduled meetings.

PPM strategy and Project framework

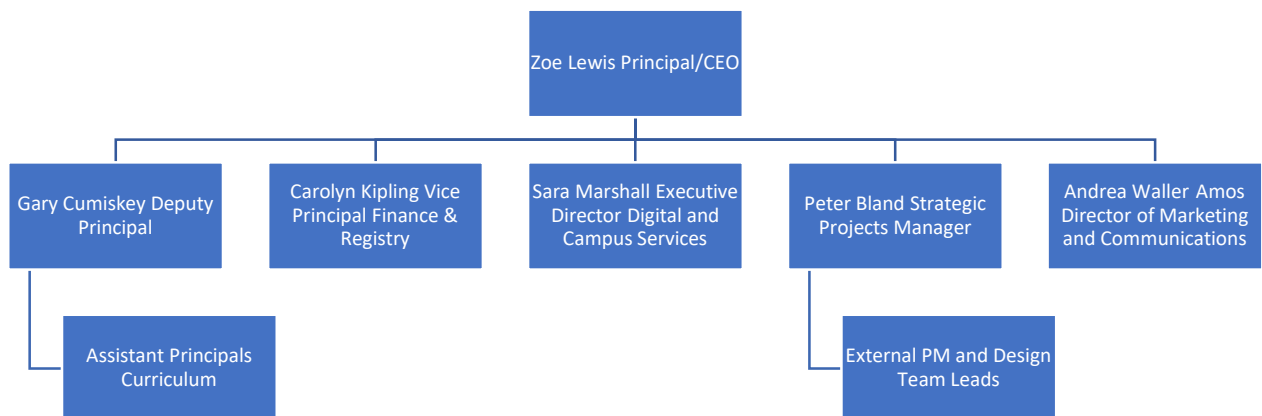
Overview of the strategy, framework and plans to ensure a successful project delivery.

Summary or diagram of the key project framework aspects including structure, reporting, governance, roles and responsibilities and appointed personnel

Key project management tools will be employed to manage the scheme, such as Gantt charts and Risk Logs to ensure milestones and tasks are being met. The project team will work closely with relevant college departments teams to make the contractual elements of the project as efficient and effective as possible. The Finance team will also support delivery through constant monitoring of expenditure. Progress will constantly be reviewed.

In order to ensure that project has the greatest possible chance of success, a governance structure and process has been developed. The structure ensures the project is scrutinised in a uniform way with the Town Deal Board being utilised to check and challenge progress and provide support to unblock issues.

The Strategic Projects Steering Group structure is set out below, detailing appointed personnel with responsibility for the management and control of the capital project:



The Steering Group is responsible to ensure:

- Formal oversight and governance arrangements are in place and followed utilising internal committee structures appropriate to the scale of the project to receive reports, approve projects and to test and challenge assumptions.
- Detailed and robust risk management tracking with both financial and project risks are identified and reported with appropriate risk prioritisation and agreed mitigating actions.
- Robust budget setting processes, including affordability assessment, monitoring and formal reporting are in place, aligned to organisational financial regulations and control.
- Ensuring regular critical path management and programme assessment with regular monitoring and reporting on key timeline activities.

Project plan

Set out the deliverables, activities required, milestones, use of any advisers etc.

Milestone	Timeline	Appointments made	Activities required
Advisers appointed	January 2021	Corstophine & Wright	
Design completed	March 2021		Design development to RIBA Stage 4 and tender documentation
Procurement completed	May 2021		Tender publication to tender award
Project commencement	May 2021		Start on site
Construction period	To August 2021		
Project completion	August 2021		

Change or risk management strategy

Set out assessment of the potential impact of the proposal on culture, systems, processes and people, if applicable

The investment will increase the cultural and social facilities for learners and the general public, this can be measured through usage and footfall to the facilities.

The college has in place robust and secure systems and processes in order to manage and report on data and analyse stakeholder information.

Evaluation and benefits realisation

Set out how the project or programme will be evaluated through its life course e.g. monitoring data, process evaluation, impact evaluation.

The Steering Group are responsible for the evaluation of the investment and the continued monitoring of success against the key objectives.

The college will use its MIS data to determine the number of learners benefitting from the investment, measuring increased learner numbers and analysing the population it serves.

**Invest in
Middlesbrough**



MIDDLESBROUGH TOWN DEAL BOARD

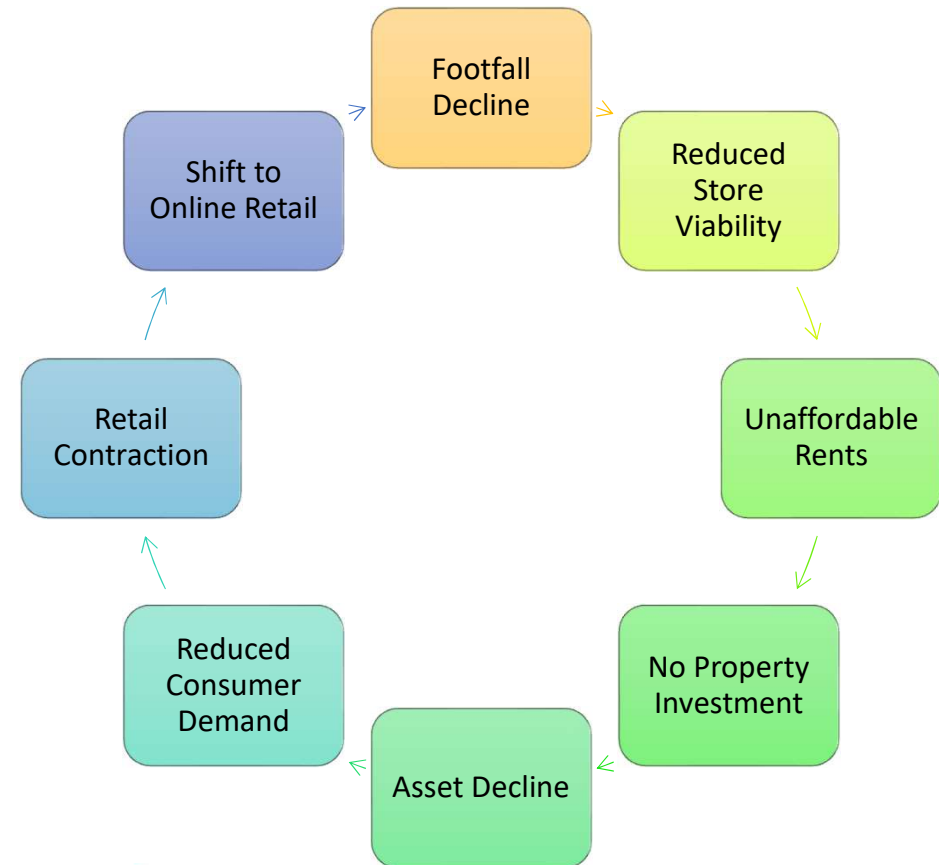
21st MAY 2021

Town Centre Strategy – Context and Challenges

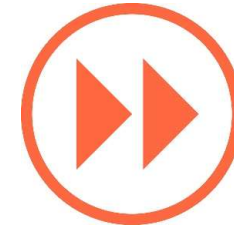


Traditional Town Centre Economies

- Changing Consumer Habits
- Oversupply of Retail Floor Space
- Fragmented Ownership
- Too few uses / different reasons to visit town centres
- Fundamentally Unbalanced
- Market Failure
- Cycle of Decline



COVID-19 Impact



- A reason, not an excuse
- Fragility was present long before Covid
- Fast forward the inherent decline and the urgency of the response
- Important not to overstate short term trends –
‘the death of the office has been much exaggerated’
- Some sectors insulated (relatively) – a base on which to build
- Demonstrates people’s passion for experiences and interaction



Revitalise or Reinvent?

- Traditional regeneration programmes have been about revitalising town centres
- Issues are more fundamental – we need to reinvent town centres
- Perceptions are REAL and MATTER
- Don't throw the baby out with the bathwater – retail plays a role.
- Local Pride and Involvement – everyone's responsibility

Changing what a town centre MEANS to people, no longer just about shopping.....

- Workplace / Classroom
- Communities and Homes
- Society and Connections
- Fun and Experiences

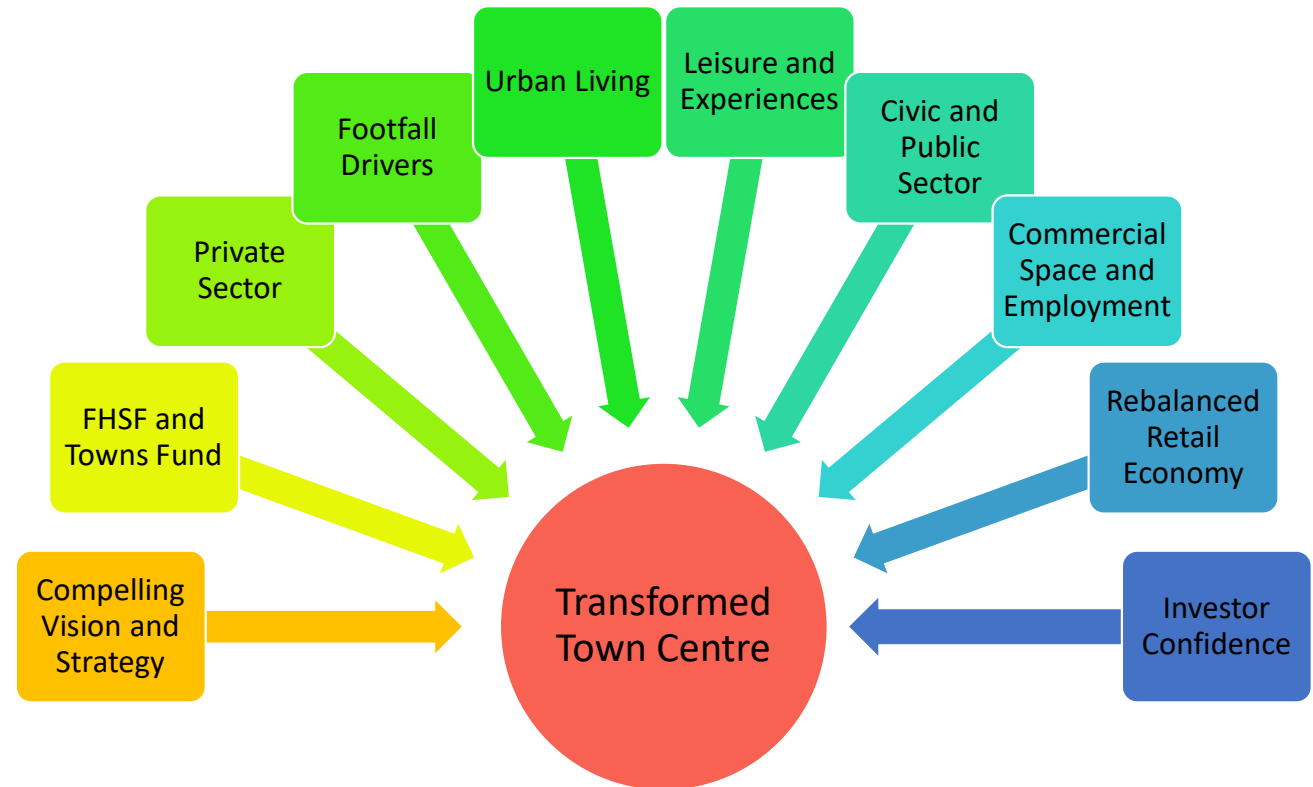


- **Densification and Diversification**
- Living: building residential communities in central Middlesbrough.
- Skills and Learning: integrating our educational services and institutions.
- Working: Bringing Employment and Commercial uses to the centre.
- Health / Wellbeing: Bringing together public services together.
- Culture and Leisure: Providing entertainment and spaces for people to enjoy.
- Retail: Maintaining a strong retail component in the high street.
- **Cross Cutting Themes:**
 - Transport – Delivering excellent transport and connectivity.
 - Digital – Digitising our town centre and building The Digital City.
 - Environment – Providing green spaces and public places which promote activity and wellbeing.



Delivery

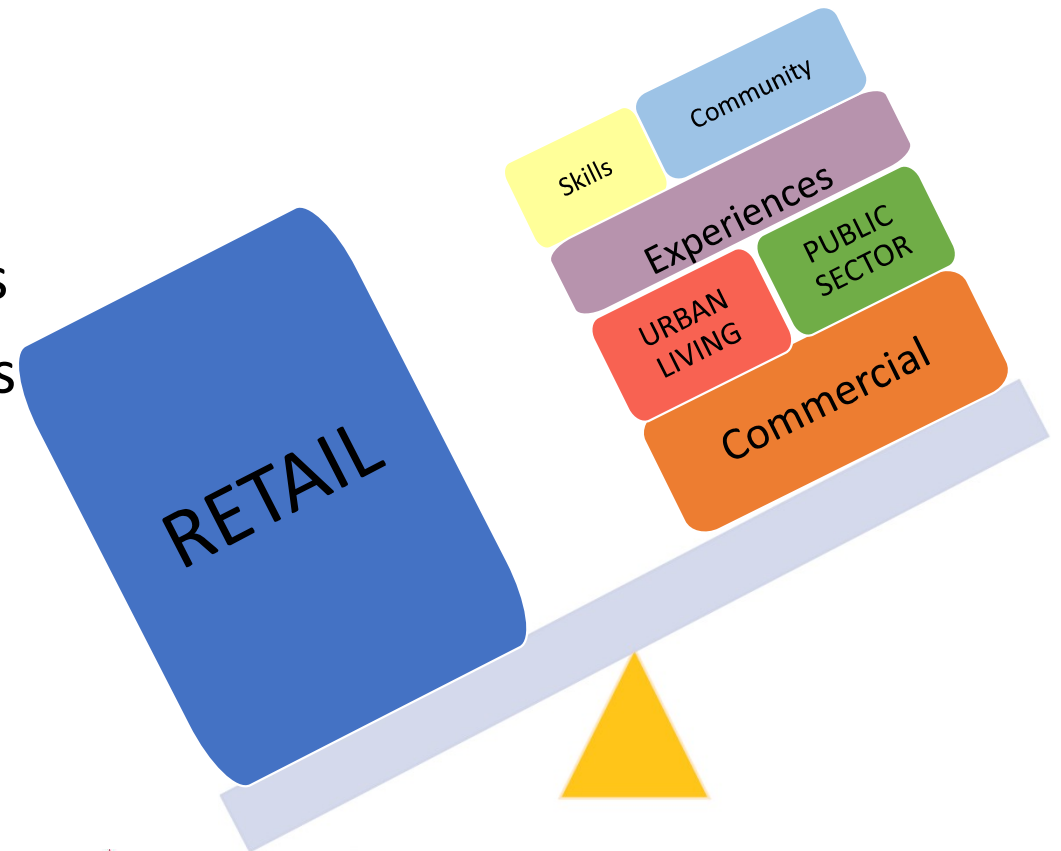
- The virtuous circle based on mutual sustainability
- Stabilise and Grow
- Continue to adapt to trends
- What will town centres look like in 25 years?





The Impact

- A balanced economy which meets consumer demands
- A mutually-sustaining critical mass
- Benefits permeate to communities and across the Tees Valley
- New Private Investment
- Private Sector Confidence
- High Start-up and survival rates
- Skills and talent retention



Reasons to be cheerful...

- Funding – Towns Fund, FHSF, Levelling UP, Devolution, Council Capital....
- Centre Square & TeesAMP – Strong lettings During Covid – examples of market interventions to stimulate the private sector.
- High Street Recovery – Footfall bounceback is above UK average
- Plans and land ownership – much of the groundwork is done
- Thriving specialist sectors – Digital, Creative, some professional services
- On the Government Radar
- Early interest from third parties – sustained through Covid-19



Stage 2 Plan														
Month	March	April	May	June	July	August	September	October	November	December	January	February	March	
Middlesbrough	Agree Heads of Terms	Feedback to MHCLG - profile of Capital and Revenue												
		Knowledge Economy - Middlesbrough College - Zoe Lewis	Business Case Submitted											
		Community Hubs - Richard Horniman				Business Case Submitted								
		Centre Square - Sam Gilmore / TVCA				Business Case Submitted								
		Boho Campus - Michael Canavan				Business Case Submitted								
		Nature Reserve - Simon Blenkinsop				Business Case Submitted								
		Ward Initiatives - Paul Stephens				Business Case Submitted								
		Urban Living - Steve Fletcher								Business Case Submitted				
		Queens Square - Steve Fletcher								Business Case Submitted				
		Historic Buildings - Steve Fletcher				Business Case Submitted								
		Implement, review and update Stakeholder Engagement Plan												
	Month	March	April	May	June	July	August	September	October	November	December	January	February	March
	TFDP Support	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service	Regional Support TC / Local Service
			Expert Drop in Sessions	Expert Drop in Sessions	Working Groups	Working Groups	Working Groups	Working Groups	Working Groups	Working Groups	Working Groups	Working Groups	Working Groups	Working Groups
		Business Case or Specialist Support	Business Case or Specialist Support				Milestone - Phase 2 project commencement			Milestone - Phase 3 project commencement				
			Milestone - First Project Commences				Milestone - College Phase 1 complete							

Which ward do you live in?

[Ward finder - click here](#)

-Please Select-

How would you prefer the money to be spent?

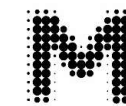
- Split equally between 20 wards, with £50,000 per ward
- Split equally between larger areas of town, with £250,000 per area
- One £1m project to benefit the town overall
- Spent on most deprived wards
- Other



MIDDLESBROUGH

Can do people
Can do place





What kind of project would you like to see funded?

Please select all that apply:

Improving parks

Nature and the environment

Sports such as new facilities

Other

Please tell us if you have any other thoughts on this:

Please do not include any personal information in your response.



Towns Fund Programme Delivery

The Towns Fund funding settlement is to be delivered up until 2025/26, albeit Middlesbrough's current programme commitments are profiled between now and 23/24.

During this period, and for a monitoring period beyond the programme duration, Middlesbrough Council, as accountable body, is obliged to manage the programme and deliver the monitoring and evaluation for the programme; up to the end of the decade.

The development and delivery of the programme is resource intensive. As such, a modest revenue deduction is permissible from the programme funding, to facilitate delivery.

Much of the delivery, specialist advice and administration costs had been provisionally built into individual project balances. Updated guidance from MHCLG suggests that this would be better presented as a standalone budget line.

Of course, some projects do not lend themselves to a percentage management fee deduction and can be managed from within existing resources or capacity. For example, it would be appropriate to protect the £1m allocation for ward initiatives from such a contribution, as well as the College Campus expansion project, or where a revenue deduction would compromise the achievement of prescribed outputs.

MHCLG documentation highlights that a revenue contribution of up to 7% is permissible within the programme. The appropriate development and administration requirement has been assessed at closer to 3%, over four years, which would still represent c. £600k of the £21.9m programme. This allocation is not absolute as the level of external and professional advice is not exactly quantified at this stage. Such costs would include:

- Programme Administration
- Legal costs and Specialist Advice
- Monitoring and Evaluation
- Project Delivery Capacity

Recommendation:

It is recommended that the Town Deal Board approves a revenue allocation of 3% of the gross programme value, to cover the entire duration of the management, delivery and monitoring of the Town Deal. This deduction would only apply to those projects which require the preparatory advice and delivery capacity; and, where a revenue contribution would not prejudice the delivery of project outputs.

Towns Fund Board
Friday 21st May 2021 at 11.00am via Webex

Present:

Tony Parkinson, Middlesbrough Council Chief Executive
Andy McDonald, Member of Parliament for Middlesbrough
Thomas Smith, Life Sciences Public Engagement Expert
Adam Suleiman, Cities and Local Growth Unit BEIS
Zoe Lewis, Principal and Chief Executive Middlesbrough College
Ian Wardle, Group Chief Executive Thirteen Group
Laura Sillars, Dean of mima School of Art & Design Teesside University
Daryl Thomlinson, Cleveland Police
Rachel Anderson, Assistant director of Policy NECC
Cllr Mieka Smiles – Executive Member for Communities and Education MBC
Chris Smith – Executive Director of Business Growth – Thirteen Group
Nicolas Baumfield – Arts Council

In attendance

Richard Horniman, Director of Regeneration MBC
Andrew Perriman, Head of Legal Services MBC
Sam Gilmore, Head of Economic Growth and Infrastructure MBC
Andrew Glover – Head of Marketing and Communications

1.	<p>Apologies and declarations of interest</p> <p>Apologies: Ian Wardle, Group Chief Executive Thirteen Group (Chris Smith substituting) Andy Preston, Mayor of Middlesbrough Alex Bell at M&S Arriva (named rep TBC)</p> <p>In the absence of the Chair, Tony Parkinson provisionally chaired the meeting prior to the nomination of a vice chair; at agenda Item 3.</p> <p>Zoe Lewis and Rachel Anderson declared an interest in Middlesbrough College relating to agenda Item 4 – as such they will be placed in the ‘virtual lobby’ for the debate and voting for that item.</p> <p>Andy McDonald declared his position as an honorary governor of Middlesbrough College. This was not seen as a conflict of interest in relation to Item 4.</p>
2.	<p>Minutes from previous meeting</p> <p>Minutes of last meeting agreed as a true record.</p>
3.	<p>Constitution Adoption / Vice Chair Nominations</p> <p>The circulated draft constitution was discussed and a minor amendment was tabled in respect of appendix B, Prejudicial interests. This was amended from:</p>

	<p><i>'The matter being discussed affects their financial position or that of any person with whom they have a personal interest'</i></p> <p>Amended to: <i>'The matter being discussed affects their financial position or that of any <u>person, organisation or business</u> with whom they have a personal interest'</i></p> <p>Nominations were sought for a Vice Chair position for the Board. Andy McDonald nominated Tony Parkinson as Vice Chair. This nomination was carried.</p>
<p>4.</p>	<p>College Business Case (paper sent prior)</p> <p>The Board were invited to ask any questions for clarification of the business case.</p> <p>Zoe Lewis and Rachel Anderson were placed in the virtual lobby for the debate and voting on the acceptance of the business case for Middlesbrough College's application.</p> <p>Chris Smith asked if there were any images available for the development. Andy McDonald reminded the board of the presentation at the previous board meeting and the fact that the project had already been approved in principle.</p> <p>The board unanimously voted to approve the business case and award Middlesbrough College £1,175,000 as per the business case presented.</p> <p>In terms of procedure, Middlesbrough Council's S151 officer will now formalise the funding arrangements and a funding agreement will be drafted with Middlesbrough College.</p>
<p>5.</p>	<p>Strategic Context Presentation – Consolidated priorities and funding</p> <p>Sam Gilmore delivered a presentation detailing the strategic context of Middlesbrough's wider approach to economic growth and the diversification of the economy. This set out the reasoning behind aligning all funding streams and investment to high-density town centre uses.</p> <p>Andy McDonald identified that the capital investment strategy was a good start, but that it needs to be mirrored with a local strategy to match the new opportunities with the resident population and, in particular, dealing with poverty. It critical that the investments cited can be matched with an appropriate level of services and revenue support.</p> <p>Tony Parkinson confirmed that he was confident that the Council's Medium Term Financial Plan was robustly managed and could reflect these aspirations.</p> <p>Andy McDonald also raised the following issues:</p> <ul style="list-style-type: none"> • Crown Building - Linthorpe Road – a major blight on a key gateway site. This feeds into broader reputational issues for the Town. First impressions being key.

	<ul style="list-style-type: none"> • Green and cultural issues should be at the heart of any regeneration programmes – an example was cited on a case study in Strasbourg • Retail shrinkage and disadvantages in terms of bricks and mortar taxation and business rates – advantageous to online traders. • Northern Elevation of the rail station – at risk of being ignored. Main gateway and cannot be neglected. It needs to be a statement entrance. <p>Laura Sillars reflected that a cultural basis was critical and queried how new ideas and opportunities can be reflected in the work of the Town Investment Plan. Mieka Smiles invited Laura for a discussion on such.</p> <p>Zoe Lewis noted that perception and feel is also critical. Lighting and public realm connectivity, between town centre areas is critical.</p> <p>Mieka Smiles – Was keen to seek the group’s view on the potential of major potential property vacancies and the role of the Town Deal Board – Debenhams etc</p> <p>Thomas Smith – in terms of strategy and awareness we need to get out and about with as much news as possible about the scope of the Town Investment Plan. Andrew Glover confirmed that the interactive map will provide a basis and Sam Gilmore confirmed that the town investment plan and community engagement strategy is under review.</p>
<p>6.</p>	<p>Work Programme</p> <p>A schedule of business case workflows and meeting dates was shared with the group.</p> <p>Tony Parkinson noted that he was keen to keep momentum up over the summer months / holidays and asked that supplementary dates in July and September were considered.</p> <p>This is to be reviewed in line with business case schedule.</p>
<p>7.</p>	<p>Community Engagement – Ward Initiatives</p> <p>A number of questions were presented to the board to capture the initial feedback from communities on how the £1m ward initiatives allocation might be used. This included open questions for the use of the money and whether the community would prefer equally distributed funding or fewer, larger schemes.</p> <p>The questions were noted and Andrew Glover confirmed that the questionnaire would be published W/C 24th May.</p>

8.	<p>Any other business</p> <p>Programme administration – Sam Gilmore confirmed that MHCLG documentation highlights that a revenue contribution within the programme. The appropriate development and administration requirement has been assessed at C. 3%, over four years. This allocation is not absolute as the level of external and professional advice is not exactly quantified at this stage. Such costs would include:</p> <ul style="list-style-type: none">• Programme Administration• Legal costs and Specialist Advice• Monitoring and Evaluation• Project Delivery Capacity <p>Recommendation: It is recommended that the Town Deal Board approves a revenue allocation of 3% of the gross programme value, to cover the entire duration of the management, delivery and monitoring of the Town Deal. This deduction would only apply to those projects which require the preparatory advice and delivery capacity; and, where a revenue contribution would not prejudice the delivery of project outputs.</p> <p>The recommendation was approved.</p>
9.	<p>Date and time of next meeting</p> <p>Provisional: 1p.m. Friday 20 August 2021- location / online TBC</p> <p>Subject to any amendments highlighted in Agenda Item 6</p>