

MIDDLESBROUGH COUNCIL	
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Report of:	Director of Finance and Transformation (s151 Officer)
Relevant Executive Member:	Elected Mayor of Middlesbrough Executive Member for Finance
Submitted to:	Executive
Date:	30 April 2025
Title:	Middlesbrough Priorities Fund
Report for:	Decision
Status:	Public
Council Plan priority:	All
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
Subject to call in?:	Yes
Why:	Non-urgent report

Executive summary

A Middlesbrough Priorities Fund of £4.367m for 2025/26 only, was established and approved by Full Council on 19 February 2025 as part of the 2025/26 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report.

This report provides Executive with a proposed set of the governance arrangements for the use of the £4.367m Middlesbrough Priorities Fund. The report sets out how it is proposed to allocate the Middlesbrough Priorities Fund, and also sets out the initial list of initiatives proposed by the Mayor, and the process for identification and approval of future initiatives.

It is requested that the Executive

- Approves the governance arrangements for the £4.367m Middlesbrough Priorities Fund
- Approves the proposed allocation of the Middlesbrough Priorities Fund between an allocation for elected Ward Councillors (£0.235m) with the remaining amount for initiatives proposed by the Mayor (£4.132m)
- Approves the following initial list of initiatives proposed by the Mayor totalling £0.680m, with details being provided in paragraphs 4.16 to 4.27:

- Childhood Enrichment Team £0.250m
- Youth Group seed funding £0.100m
- Shop fronts improvements scheme £0.180m
- Grass verges replacement £0.150m

- Approves the process for identification and approval of future initiatives proposed by the Mayor, including the requirement for the Executive to approve budget allocations for future initiatives from the Middlesbrough Priorities Fund

1. Purpose

- 1.1 This report proposes the governance arrangements for the use of the £4.367m Middlesbrough Priorities Fund which was created as part of the Budget for 2025/26 approved by Full Council on 19 February 2025 in the 2025/26 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report.
- 1.2 The report sets out how the Council proposes to allocate the Middlesbrough Priorities Fund, and also sets out in paragraphs 4.16 to 4.27 the initial list of initiatives proposed by the Mayor, and the process for identification and approval of future initiatives.

2. Recommendations

2.1 That the Executive

- Approves the governance arrangements for the £4.367m Middlesbrough Priorities Fund
- Approves the proposed allocation of the Middlesbrough Priorities Fund between an allocation for elected Ward Councillors (£0.235m) with the remaining amount for initiatives proposed by the Mayor (£4.132m)
- Approves the following initial list of initiatives proposed by the Mayor totalling £0.680m with details being provided in paragraphs 4.16 to 4.27:
 - Childhood Enrichment Team £0.250m
 - Youth Group seed funding £0.100m
 - Shop fronts improvements scheme £0.180m
 - Grass verges replacement £0.150m
- Approves the process for identification and approval of future initiatives proposed by the Mayor, including the requirement for the Executive to approve budget allocations for future initiatives from the Middlesbrough Priorities Fund

3. Rationale for the recommended decision(s)

- 3.1 This will enable the effective use of the approved Middlesbrough Priorities Fund and ensure Best Value is obtained.

4. Background and relevant information

- 4.1 The Final Local Government Finance Settlement for 2025/26 published by the Ministry of Housing, Communities and Local Government (MHCLG) on 3 February 2025 announced significant one-off funding for Middlesbrough Council in 2025/26.
- 4.2 In response to the significant level of single year funding, a Middlesbrough Priorities Fund of £4.367m for 2025/26 only was established and approved by Full Council on 19 February 2025 as part of the 2025/26 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report.
- 4.3 The intention of the Middlesbrough Priorities Fund is to deliver high impact, one-off projects for the benefit of the communities in Middlesbrough. The temporary nature of this funding means that the Council is unable to build it into the ongoing revenue budget, however elements of it may be announced in the future as being recurrent in which case those elements will be built into ongoing budgets.
- 4.4 This report outlines the governance arrangements for the Middlesbrough Priorities Fund, and how the Fund will be allocated and initiatives approved.
- 4.5 It is proposed that the Middlesbrough Priorities Fund is split between two elements – an amount allocated for elected Ward Councillors to bid for, and the remainder for initiatives proposed by the Mayor.
- 4.6 To make sure the Council addresses specific issues at a ward level, a portion of the Middlesbrough Priorities Fund will be made available for elected Ward Councillors to submit proposed initiatives, and this will be allocated at a rate of £5,000 per Ward Councillor for projects within their wards. All Ward Councillors in each Ward must agree the use of the funding within the Ward. This will mean that an amount of £0.235m will be allocated for this with the remaining £4.132m being allocated for initiatives proposed by the Mayor. It should be noted that this will be in addition to the current Members Small Scheme within the Council's approved Capital Programme and will not replace it.
- 4.7 All funding from the Middlesbrough Priorities Fund must be in line with the following criteria identified in paragraphs 4.8 to 4.11 below.
- 4.8 Projects funded from the Middlesbrough Priorities Fund must be one-off revenue-funded activities with no financial recurrence and which align with one or more of the following principles, and which contribute towards delivery of the Council Plan priorities and aims.
- 4.9 The principles against which proposals will be assessed (in addition to impacting positively on the Council Plan) are:
 - Invest to Save
 - Extension of existing work / activity, to release additional benefits

- Pilots and / or proof of concept activity which will involve a small scale preliminary project to validate the feasibility before potential full-scale implementation
- Corporate Peer Review recommendations

4.10 The projects must link to one of the 13 aims of the Council Plan shown below:

Council Plan Priority	Council Plan Aims
A successful and ambitious town <i>Maximising economic growth, employment and prosperity in an inclusive and environmentally sustainable way</i>	We will attract and grow businesses to increase employment opportunities
	We will improve attainment in education and skills
	We will ensure housing provision meets local demands
A healthy place <i>Helping our residents to live longer, healthier lives.</i>	We will improve life chances of residents by responding to health inequalities
	We will protect and improve our environment
	We will promote inclusivity for all
	We will reduce poverty
Safe and resilient communities <i>Creating a safer environment, where residents can live more independent lives.</i>	We will provide support for adults to be independent for longer
	We will Improve transport and digital connectivity
	We will promote new ideas and community initiatives
	We will reduce crime and antisocial behaviour
Delivering best value <i>Changing how we operate, to deliver affordable and cost-effective outcomes for residents and businesses.</i>	We will ensure robust and effective corporate governance
	We will set a balanced revenue budget and Medium-Term Financial Plan to restore financial resilience and sustainability

- 4.11 The projects must link to measurable key performance indicators with the overriding aim to improve the town. There will be a requirement to measure projects against the outcomes and where a financial return is derived this must also be measured.
- 4.12 The amount allocated for Ward Councillors will be subject to submissions of proposals by Ward Councillors which will need to demonstrate the principle addressed and identify the Council Plan priority and aim addressed. Officers will work

with Ward Councillors to ensure all proposed schemes are deliverable, affordable, and have no ongoing revenue implications, and that they will benefit the Ward and have a positive impact on Council Plan ambitions.

- 4.13 The amount allocated for the Mayor's initiatives will also need to demonstrate the principle addressed and identify the Council Plan priority and aim addressed.
- 4.14 Full documentation will be required to be completed for all expenditure from the Middlesbrough Priorities Fund to ensure that a full audit trail is maintained and that all expenditure is in line with the criteria outlined above.
- 4.15 Work has already been undertaken to identify projects for the Mayor's initiatives allocation of £4.132m with a total of £0.680m of one-off revenue funded activities with no financial recurrence being initially identified which align with one or more of the following principles, and which contribute towards delivery of the Council Plan priorities and aims. Details of the initial initiatives proposed are provided in the paragraphs 4.16 to 4.27 below and it is requested that Executive approve these initial initiatives for implementation.

Childhood Enrichment Team

£0.250m

- 4.16 The Childhood Enrichment Team aims to offer every child access to inclusive enriching experiences that will support them to develop a strong sense of identity and feel a proud and valued part of Middlesbrough. The Team will operate within the Holiday Activities and Food (HAF) Programme with clear connections into our Culture and Education teams.
- 4.17 The programme will develop the Middlesbrough Childhood Guarantee that ensures all children will have support to access experiences before they leave primary school. This will develop privileged access for children into the Council's cultural offer, including concerts at the Town Hall, Newham Grange Farm, museums, theatres, galleries, heritage sites, and Middlesbrough Mela. Children will also participate in debates in the Council Chamber and days with Teesside University and other partners. We will also expand HAF and work with providers to include free trips to interesting and different places.
- 4.18 The intention is to support children to engage in new opportunities, discover and explore new interests, develop new relationships and expand their potential by stimulating minds, encouraging creativity and nurturing natural talents and abilities.
- 4.19 The model will be tested with a small number of HAF providers and primary schools to develop our learning based on insight and feedback from children, parents, providers and schools ahead of rollout of the full programme. The costs for the full programme will be considered through an application for further funding through flexible use of capital receipts as part of transformation..
- 4.20 In order to sustain the benefits of the HAF Programme, we will expand the programme locally to cover the three school half terms in May, October, and February.

Youth Group Seed funding

£0.100m

- 4.21 This funding will support the growth, development, and long-term sustainability of smaller youth providers across Middlesbrough. A short-term seed funding pot of £0.100m will be created and grant awards will be made to organisations from the funding pot, with the aim of helping emerging organisations build the infrastructure, skills, and capacity needed to deliver high-quality provision and ultimately become self-sustaining. This will enable smaller providers who lack the scale to effectively compete for funding to reach a point where they can independently secure further funding through successful bids and income generation, reducing reliance on Council support over time.
- 4.22 In addition to supporting organisational development, the Fund will also promote collaboration across the youth sector by encouraging the sharing of best practice, peer support, and joint delivery models where appropriate. This investment recognises the vital role that smaller grassroots providers play in reaching young people in local communities and seeks to strengthen the overall ecosystem of youth support in the town. By creating a more resilient and connected network of providers, this initiative aims to ensure young people in Middlesbrough have continued access to positive opportunities, support, and safe spaces.

Shopping area improvements scheme

£0.180m

- 4.23 £0.130m of the funding will provide grants of up to £10,000 per unit to businesses and organisations across Middlesbrough to improve and tidy up shopping areas, with an emphasis on those in district shopping centres. The remaining £0.050m funding will be allocated towards the Business Response Fund. This will also help to improve relationships with businesses and property owners.

Grass verges replacement

£0.150m

- 4.24 The Council currently spend approximately £0.300m per annum on grass verges replacement. It is proposed to increase this by 50% with additional funding of £0.150m in 2025/26 from the Middlesbrough Priorities Fund. The funding will be targeted at those with the highest priority and those which will provide the highest impact.
- 4.25 Further initiatives will be developed for the remaining Mayor's initiatives allocation of £3.452m, and these will be approved by the Executive in line with the criteria set.
- 4.26 The monitoring of expenditure against the Middlesbrough Priorities Fund will be undertaken by the Council's established quarterly budget monitoring arrangements, with the quarterly budget monitoring reports including full details of all initiatives approved and details of expenditure against the approved initiatives.
- 4.27 Any remaining balance on the Middlesbrough Priorities Fund at the end of 2025/26 will be transferred to a separate Middlesbrough Priorities Fund Reserve for use in future years.

5. Other potential alternative(s) and why these have not been recommended

- 5.1 The absence of a governance and application process for the use of the Middlesbrough Priorities Fund could mean that the Fund is not utilised in accordance with that set out in the 2025/26 Budget approved by Council on 19 February 2025, and there would also be a risk that the allocated funding is not used in accordance with Best Value considerations.

6. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	<p>The recommendations will enable effective governance arrangements of the £4.367m Middlesbrough Priorities Fund which was created as part of the 2025/26 Budget approved by Full Council on 19 February 2025 in the 2025/26 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report. They will ensure that the Fund is used in accordance with that set out in the 2025/26 Budget approved by Council, and with Best Value considerations.</p> <p>The use of the Middlesbrough Priorities Fund should have a positive impact on Social Value as the initiatives will be required to link to the Council's Council Plan.</p>
Legal	The recommendations will be in accordance with the Council's Constitution and Financial Regulations.
Risk	The recommendations should mitigate the risk of not providing Best Value in the use of the Middlesbrough Priorities Fund.
Human Rights, Public Sector Equality Duty and Community Cohesion	There are no potential applicable issues to consider within this report affecting Human Rights or the Equality Duty. The application of some of the proposed initiatives may have a positive effect on Community Cohesion.
Climate Change / Environmental	Some of the proposals for the Middlesbrough Priorities Fund contained within this report may be relevant to these groups. In addition, future proposals may be relevant to these groups also.
Children and Young People Cared for by the Authority and Care Leavers	Some of the proposals for the Middlesbrough Priorities Fund contained within this report may be relevant to these groups. In addition future proposals may be relevant to these groups.
Data Protection	There are no concerns that the proposals within the report will impact negatively on data protection or GDPR.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
If approved by Executive on 30 April 2025 the governance arrangements, allocations, and the implementation of the initial initiatives proposed will commence.	Director of Finance & Transformation (s151 Officer)	1/5/25 (subject to call in)
Further initiatives for the remaining funding will be submitted to Executive for approval	Director of Finance & Transformation (s151 Officer)	31/3/26
Monitoring of the Middlesbrough Priorities Fund to be included in the quarterly budget monitoring reports throughout 2025/26	Director of Finance & Transformation (s151 Officer)	30/6/26

Appendices

None

Background papers

Body	Report title	Date
Council	Council Plan 2024-2027	8/3/24
Council	2025/26 Revenue Budget, Medium Term Financial Plan, and Council Tax setting	19/2/25

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