

EXECUTIVE MEMBER REPORT TO COUNCIL Wednesday 20th June 2018

1. Centre Square East – Development

A comprehensive marketing process and two-stage bidding process has been undertaken to secure the institutional finance for the first phase of funding for the office development to the edge of Centre Square.

As Middlesbrough Council have a financial interest in this process (albeit led by the developer), this process informs value for money and, ultimately, the rental rate and terms to which the Council is subject.

The report of 20 February set out the business case for Middlesbrough Council's investment in the scheme and established the broad parameters at which the undertaking would make financial sense.

The marketing exercise engaged with five institutional investors and their offers have been refined over two stages. This process has resulted in best and final offers which significantly improve on the business case and the established advice of BNP Paribas.

The project continues to progress with site hoarding being raised in w/c 4 June 2018 and the contractor commencement on site anticipated for 2 July 2018.

2. City Centre Strategy

The Economic Growth team are preparing a City Centre Strategy that will set out a very clear set of objectives, and associated actions, to deliver our City scale ambitions to ensure Middlesbrough fulfils its potential as the City Centre of the Tees Valley with a balanced, sustainable and vibrant economy.

The next stages involve consultation with key stakeholders via the City Centre Leaders forum and the newly formed Town Centre Partnership Board.

3. Town Hall

The restoration and refurbishment of the Town Hall completed on the 27th March 2018 with the building formally handed back to the Council.

The project has transformed the building in to the premier heritage and performance space in the Tees Valley and seen key spaces such as the Courtroom, Fire Station, Carriageway and Cells that have previously been unavailable to the public transformed and key heritage features in each space brought to life, these spaces are all now available for the public to view and engage with.

May has seen the venue open for a preview month with fantastic reception from the public and key stakeholders, the performances in this month have included: Jools Holland, James, and the first classical concert in the new venue by Bruckner Linz Orchestra.

The venue formally opened to the public on the weekend of the 26th May with the Erimus opening event which will celebrate the heritage and the future of Middlesbrough Town Hall, exploring what it means to be from Middlesbrough and its rich cultural identity. A mix of community and professional dancers performed Erimus for the public four times, all of which were sold out. The event showed how important culture, heritage and identity are to people in Middlesbrough, as well as the attachment people feel to our Town Hall.

4. Tech Nation Report 2018 – Middlesbrough

For many years, the Council has been investing in the development of the digital business sector in the city. This long-term commitment that we have made is now showing genuine return to the local economy, including significant new jobs.

The Tech Nation 2018 report is part of a ground-breaking annual series that captures the strength, depth and breadth of digital tech activity in the UK. The Tech Nation report is the industry-recognised barometer for the health and vibrancy of the digital tech landscape in a given area.

The inclusion of Middlesbrough for a second successive year is significant in itself given both the recent changes at Tech Nation to a more regional focused initiative, and notable omissions of clusters from the 2017 report.

The statistics, however, also paint a favourable picture of the digital tech industries in Middlesbrough, with significant growth highlighted across a number of key areas. Digital GVA grew by a staggering 44%, from £211m in 2016 to £304m in 2017, with collective turnover of digital businesses also growing at 19.5% to £188m over the same period. There was also significant growth in digital tech jobs from 2014 to 2017, with a 15.7% increase - higher than the national average of 13.2%.

5. TeesAMP

In February, we committed to taking forward the Tees Advanced Manufacturing Park. Matters are moving quickly and we will soon see significant progress on the scheme.

The development of up to 180,000 sqft of advanced manufacturing space on the riverside site has made major progress with the submission of the planning application for the entire 180,000sqft of business space, infrastructure provision, ground remediation and landscaping. The application was submitted on 4 May 2018 and is expected to be determined in July 2018.

The final design specifications are in place and the work will be tendered with major contractors over the next few months.

Tenancy interest in the site is growing with the prospect of at least two significant lettings being secured prior to completion. A major marketing campaign and launch will align with the anticipated commencement of construction in September 2018.



6. Teesside University Business School

Part new-build, and part adaptation of the existing Clarendon Building, Teesside University is further demonstrating its confidence in Middlesbrough by investing £7.5m to provide a modern and flexible new home for the growing Teesside University Business School.

Equipped with the latest fully technologically-enabled facilities, this contemporary new teaching and learning space will include syndicate rooms and collaborative work zones to enable collaboration between staff, students and businesses.

The development has commenced and will be open for the new cohort in September 2018.

7. Snow Centre

Discussions with the developer on the development of the detailed planning scheme have been going exceptionally well. It is anticipated that the scheme will be submitted this summer. The appointed architects Faulkner Brown, have designed five of the six snow centres in the UK and are also involved in the other scheme that is under development in England at Swindon.

This investment stands to be transformational to the future of Middlesbrough. I am working closely with officers to ensure that we provide the enabling support to the developer to ensure that this investment is achieved.

8. Rail Station

The removal of the scaffolding on the south side of the station has revealed the true Victorian splendour of the architecture. A further phase of improvement is being commissioned at present with further enhancements commencing in 2019.

We have been working closely with Network Rail and a study has been completed that there is a definite need for a third platform, which is likely to be parallel to Bridge Street. Network Rail are bidding to the Department of Transport for resources to implement. It is also anticipated that the Combined Authority will also contribute.

To deliver the ambitious programme of investment in the City Centre it's important that there are sustainable transport options available. Enhancements to both the station and the services using it are critical to that.

9. Bus Service Enhancements

The Combined Authority has received £59m from the Transforming Cities Fund. The Council will be pursuing resources from this fund to make enhancements to the bus facilities around the town centre from this funding. It is hoped this will encourage greater use of buses.

10. Bus Station

Recently, the Mayor provided an update on the Tees Media and Innovation Village and any plans for a new bus station. The development would be primarily privately funded and would see retail, cultural, employment and leisure opportunities, expand our city centre and deliver a modern, environmentally friendly bus station, fit for the 21st century. Whilst discussions with a private developer are in an early stage, the Mayor confirmed that the only site being discussed for a modern, fit for purpose bus station is the site of the current bus station, which was built in 1982. A bus station is an important element in our city centre and it is important we plan for the future and create a bus station which will provide an excellent service for passengers for decades to come.

11. Victoria Buildings – Albert Road / Grange Road

The scaffolding has come down on the building, which has been converted for student apartments with the ground floor to be used for Food and Beverage. It is understood that the residencies are already fully let, breathing life back into these former offices. This scheme will add significant value to the impetus generated by the Baker / Bedford initiative that the Council instigated and enabled.

12. Retail

This is a challenging time for the high street. House of Fraser and Marks and Spencer's have well published challenges. The latter closing stores in nearby Stockton and Darlington.

I have been working with officers to ensure that can support retailers to have confidence in Middlesbrough. It's clear that additional office employment; improved public transport; the snow centre; development of the Boho zone etc, will create additional support and opportunity to ensure that the City Centre thrives and prospers. The challenges facing the retail sector emphasises the reasons why it's vital that the Council leads in terms of taking Middlesbrough forward.

13. House of Fraser

It's extremely disappointing to see that the House of Fraser are considering closing their store on Linthorpe Road. It's particularly worrying for the staff.

Many residents and councillors will have fond memories of the store and its predecessor, Binn's. It's a wonderful building and iconic.

Councillors will be aware that the proposed closure of the Middlesbrough Store is part of a wider plan to considerably reduce the size of the company and it's also sad to see the demise of the Darlington store.

In recent months we have been in discussion with the House of Fraser and the property owner to see if there is any support that we can enable that allows the store to remain open. The Mayor asked for a meeting with House of Fraser before the announcement and we will be continuing to work with the company and the property owner to see if there is any solution that we can assist with, including the company trading from a reduce floor space.

If the store does close we will seek to work with House of Fraser to support staff find new employment. Additionally we will work with the property owners to seek to find new uses. It's important to the city centre that this prominent store is occupied.

14. Albert Road

A visit to the northern part of Albert Road highlights the investment confidence in Middlesbrough. After many years of working with Jomast the company is undertaking major investments on the western side, renovating and converting buildings for business use. Jomast are working with the City Centre team to enable this development. This follows Jomast investment in the nearby Premier Inn that opened in January.

The work on Albert Road also represents the restoration of buildings which form an important part of Middlesbrough's architectural heritage.