

**EXECUTIVE MEMBER REPORT TO COUNCIL
Wednesday 5th September 2018**

1. Centre Square

Construction work at Buildings 1 and 2 at Centre Square commenced on the 9th July and is progressing well. All legal contracts are now signed and a ground breaking ceremony was carried out with Ashall's Projects and the Mayor with a press release issued for various media outlets. Earthworks and clearing of the site is being carried out with piling works for the foundations currently progressing. As part of the project local employment opportunities will be monitored with local curtain walling company Topside who are based at Riverside Park being procured via Bowmer and Kirkland on the project.



2. Boho Zone

The future development of the Boho Zone is being progressed on various fronts. Investment in the current building stock continues with upgrade to the IT infrastructure, increased internet speeds, building access upgrades and long term maintenance investment in heating and cooling. Similarly, a planning application has been submitted for an upgraded car park next to Boho 1.

Feasibility work is progressing into the concept of Boho's Next Generation workspace. Working towards a concept design and financial feasibility, which can encourage local businesses to invest and commit to the area, have been subject to a detailed consultation process. The key driver is commercial viability and as so, the next stage will explore the financial feasibility and availability of financial products to support future development. A future report will outline proposals to Executive.

3. TeesAMP

The development of Tees Advanced Manufacturing Park (TeesAMP) has reached two key milestones. The scheme received planning consent on Friday 10th August, paving way for the Council to complete a Development Management Agreement (DMA) with Cleveland Property Investments Ltd. (CPIL) and acquire the site. The deal with CPIL will mean that a start-on-site is due in October. The initial phase of work will result in the entire 11 hectare site being fully decontaminated and remediated. The second phase will see the major road infrastructure implemented and the final phase will witness the construction of 180,000 sq. ft. of high-quality light-industrial units. Work will be completed by October 2019. TeesAMP will be owned and operated by Middlesbrough Council.

The marketing of the site has commenced in earnest with the first tenant agreeing lease terms. TeesAMP will deliver a range of units between 6,000 – 50,000 sq. ft., creating a localised business cluster for advanced manufacturing, hosting at up to 14 companies, and, directly creating between 500 to 1,000 new jobs with an additional 400 derived and supply chain jobs.



4. Centre for Economics and Business Research Report

According to a new report by the Centre for Economics and Business Research (CEBR), Middlesbrough is outperforming both its North East rivals and the majority of the country in terms of the economic growth seen in its consumer sector.

The report also suggests a positive future for the town's retail and leisure industries, as Middlesbrough's consumer sector GVA growth rate of three per cent was the second-highest recorded in the UK in Q4 2017, with the town placed only marginally behind the best performer Bristol (3.1 per cent), and well above the national average (1.5 per cent).

5. Best Night Out Report

Middlesbrough has been named the second best place in the country for an 'alternative' night out. Research has revealed that the city is one of the best when it comes to the price of a pint and a gin and tonic, the cost of a taxi, and the number of bars and clubs per 100,000 population. It also considered the average cost for a one-night stay in a hotel, the average price of a meal, and safety.

The research, from MyVoucherCodes, was conducted to look at alternatives to big cities for a night out. It surveyed 50 of the most popular towns and cities in the UK. Middlesbrough came second to Swansea, and ahead of places such as Nottingham, Coventry and Stoke. Whilst this isn't the most scientific of studies, it is positive recognition and a vehicle to further promote what is going on in Middlesbrough.

6. Gresham Redevelopment

The redevelopment of Gresham moved a crucial step forward when the Executive approved the sale of part of the site to Teesside University on the 1st August 2018 to facilitate the development of a new Student Village. Building on a period of unprecedented growth for the University, which has seen an investment of £250m to develop their city centre campus, the creation of the Student Village will help achieve its ambition to grow student numbers. The construction of the Student Village will underpin the redevelopment of the wider Gresham site with Executive approval also given to bring forward high quality housing development in two phases that will create a stable, vibrant and balanced town centre housing market.

7. Albert North

Middlesbrough Council is collaborating with regeneration specialists Jomast to bring back to life Albert Road starting with a multi-million pound rebrand. The road is being transformed into Albert North and will feature food and drink outlets, 'city living apartments', and studios and offices for small to large businesses.

The project will reinvigorate the area into a vibrant new business community set in the historic quarter of Middlesbrough and will complement Middlesbrough's existing digital and creative quarter, the Boho Zone.

Jomast is bringing redundant properties back into use to provide quality space for a range of purposes including office and studio space, city living, food and drink with the aim of bringing together passionate people and ambitious businesses in the centre of this pioneering small city.

Businesses locating to Albert North can benefit from high speed broadband, rent and business rate incentives and free public health initiatives for employees as well as public realm improvements.

8. Supporting the High Street / City Centre – Business Support

Since the administration was elected in 2015 the Mayor and Executive, with support from the Council has placed the regeneration of the City Centre as a priority in the economic regeneration programme.

The 2017 Investment Prospectus places the City Centre at the heart of the programme that is driving the economy of Middlesbrough forward. Major investments such as:

- Centre Square Grade A Office Development: creating new white collar jobs
- Middlesbrough Rail Station Improvements: improving public transport and accessibility
- Boho and the Digital Sector: generation of one of the UK's leading digital clusters, including the development and opening of Boho5
- Teesside University: supporting the development of the campus and the growth of the University
- Middlehaven: including the development of the snow centre

These schemes are all contributing to transformational change that provide city scale developments which will drive the city centre forward for future generations. The Council has provided substantial resources to secure these schemes and we should feel proud that we are creating the right the commercial environment for businesses to flourish and prosper.

However, improving the City Centre is also about the delivery of a range of opportunities to support the functionality of the economy. Some of the other investments that are supporting the growth of the centre include:

Middlesbrough Town Hall

The £8m restoration of Middlesbrough Town Hall with funding support from the Heritage Lottery Fund, has seen the venue transform into the Tees Valley's premier performance and heritage venue reinforcing and further developing Middlesbrough as the cultural centre of the Tees Valley.

This project will see significant investment in improving the performance element of the venue which will support the continued attraction of high quality performers and acts; but will also see investment in making key heritage spaces within the building available to the public.

Supporting the Conversion of vacant property

Recognising the shifting requirements of modern business, Middlesbrough Council has introduced a number of enabling initiatives to seek a viable commercial use for older/vacant properties. This has directly resulted in the redevelopment of the following properties:

- Rede House: student accommodation
- St James House: luxury apartments
- Vancouver House: hotel and residential
- Dundas House: business accommodation
- Albert Road: studio and office space and luxury apartments
- Cleveland Centre office accommodation: hotel

Providing High Class events

Middlesbrough Council continues to host and support a series of high class performance, cultural and civic events at a range of venues across the city, creating a vibrancy and buzz which attracts visitors regionally and beyond.

The Orange Pip market located in the City's Independent quarter is an ambitious and innovative event which has brought food, art, music and performance to Middlesbrough. The event has become a huge favourite amongst Middlesbrough residents, attracting over 100,000 visitors since its launch in May 2016.

The Middlesbrough Mela recently returned to its original home of Albert Park to celebrate its 28th Anniversary. This massively successful event continues to celebrate the incredible cultural diversity of Middlesbrough, bringing together families and communities through a vibrant mix of cultural delights. Other highlights in the Middlesbrough events calendar include National Armed Forces Day and The Cleveland Show.

In addition to these staples of the Middlesbrough events calendar the newly refurbished Middlesbrough Town Hall and Middlesbrough Theatre provide a platform to attract high class performance events to Middlesbrough throughout the calendar year.

Establishment of a Town Centre Team and Town Centre Partnership

We have invested in two officers to work with businesses and be solely focused on supporting the City Centre. This dedicated resource will also steer and influence a range of complementary council services such as Environmental Services, Community Safety,

Transport and Infrastructure, Licensing; as well as external partners including Cleveland Police, TVCA, and NECC etc.

These officers are driving forward a range of opportunities and working closely with businesses to ensure that we can support their growth and development.

Middlesbrough Council has recently established a Town Centre Partnership. The partnership aims to be a high-level briefing session for key businesses/stakeholders in the Town Centre with the aim of disseminating information on major developments and exploring ways to work together to address Town Centre issues. The partnership board is also an opportunity to update stakeholders on the progress of the City Centre Strategy to identify how the strategy can be translated into operational matters. It also addresses key operational / managerial issues.

Development of a vibrant hotel economy

Anecdotal information was emerging that the local hotel/hospitality market was under represented and disproportionately expensive. This suggested there was an element of market failure. Through due diligence and demand analysis, Middlesbrough Council established that there was additional capacity in the local market for bed space. Through a combination of direct investment (Holiday Inn), public realm enhancements and a compelling strategy for inward investment and visitor economy (Investment prospectus), Middlesbrough has secured Holiday Inn Express followed by Premier Inn and the prospect of Best Western; adding over 300 bed spaces.

Supporting new retail investment

By way of bespoke account management, strategic engagement and regular dialogue, the Council has a detailed understanding of the challenges faced by the retail economy. Recent vulnerabilities presented by relatively major retailers have been directly addressed to ensure that businesses can trade to best effect. Middlesbrough is one of the few city centre's to have found an immediate occupant for its vacated BHS store and direct working relationships with other major retailers such as M&S and Debenhams have ensured a retained presence on the high street. It is recognised that these major retailers are the anchors around which smaller retailers and, increasing, independent retailers can cluster and thrive.

City Centre Creating a Quality Place

A series of improvement schemes have introduced from 2016/17 with the aim of complementing existing and new development in the city centre and improving the sense of place and destination. These projects aim to increase area appeal, investment and encourage further physical regeneration in the surrounding areas. This has focused on the following areas:

- Baker Street and Bedford Street
- Albert Road
- Linthorpe Road North
- Town Hall Wrap around

Improving empty and commercial Property

We introduced a Commercial Property Scheme in 2016/17 with the aim of enhancing prominent buildings and clusters in the town centre, creating a more attractive environment for visitors and residents, whilst encouraging further investment in the area. The first phase of the scheme focused on the addresses 99-115 Linthorpe Road and 114-122 Linthorpe Road. The scheme saw significant improvements being made to the front elevations of the properties.

Supporting Enterprise: Corner Emporium

The Corner Emporium launched in 2010 and ran for four years. It allowed young businesses to test trade, providing businesses with initial support and mentoring. Premises were available for 6 months with significantly reduced rent. The scheme provided new businesses with a secure temporary location whilst they became established.

Regeneration of Baker Street and Bedford Street

Business Assistance Packages were made available to new businesses on Baker Street and Bedford Street for fixtures, fittings, signage and other refurb costs. Businesses were able to access up to £2,000 as part of the scheme. In addition 2 months of mentoring was made available to new businesses as well as free marketing and promotion. An additional £400K was invested in public realm improvements throughout the area.

Originally a residential street, in recent years Baker Street had suffered from properties being left empty and in poor condition. Given its prime location between the centre of Middlesbrough's shopping district and Teesside University, Baker Street was picked as the perfect location for an independent retail and leisure quarter.

Since the start of the Baker Street project, in May 2012, ten new independent retailers have opened for business, 17 properties brought back into use or redeveloped resulting in the street becoming fully occupied with demand outstripping the supply of units.

£180,000 was invested into public realm improvements including new paving, lighting and resurfacing of carriageway creating an attractive environment for businesses and visitors.

Following the success of Baker Street, which has now positioned itself as a key independent retail and leisure destination, work commenced on regenerating Bedford Street. Bedford Street provides additional affordable space for new independent retail and leisure businesses. One objective of this is to broaden the appeal of Middlesbrough town centre to visitors, businesses and investors. Another objective is to provide manageable sized spaces with low rent and business rates to start-up and existing businesses leading to clear and measurable improvements in a formerly disinvested area of the town.

Bedford Street now hosts 7 food and beverage ranging from a gourmet pizza kitchen to a charcuterie and bakery.

In May 2016 Orange Pip, a monthly artisanal food market was launched on Baker Street to animate the town centre and enhance the offer.

As a result in October 2015 Middlesbrough was named as a 'Rising Star' in the Great British High Street competition and in 2016 Bedford Street was shortlisted for Best Regeneration or Restoration Award at the Living North Awards.

Healthy Highstreets

The Healthy Highstreets group was created to provide a forum for large city centre retailer and stakeholders to discuss a variety of issues effecting the city centre and look at proactive ways they could work together to increase footfall.

A place to dine: Restaurant Week

As part of its continued commitment to supporting town centre restaurants and Middlesbrough's night-time economy, Middlesbrough Council has now hosted Restaurant

Week for its fourth consecutive year. Restaurant Week is designed to give diners the opportunity to sample Middlesbrough restaurants at a reduced cost with an aim of increasing restaurant sales and raising the profile of Middlesbrough as a destination for high quality food and drink. The event also reinforces and further develops good relationships between Middlesbrough Council and local businesses.

Recruitment Fair's

Middlesbrough Council in partnership with Jobcentre Plus, the National Careers Service, Middlesbrough College and Middlesbrough Community Learning has hosted a number of recruitment fairs in the town centre. This year around 70 employers and training providers gathered for the event in Middlesbrough Town Hall and almost 700 positions were up for grabs for job-seekers who attended the fair.

Car Parking Incentives

Middlesbrough Council has introduced a number of car parking offers in an effort to stimulate and grow town centre footfall and encourage people into the town centre, these include 2 hours free at Brentnall Street (Captain Cook Square) and competitive all day rate in the Zetland Car Park.

This approach encourages additional patronage as it provides convenience for visitors. We recognise that with online shopping, out of town retail parks and other major shopping areas that people have options in terms of where they choose to shop and spend leisure time. In order for Middlesbrough to stand apart in this environment, it is essential to remove as many barriers as possible for perspective visitors.

Enterprise Zone

The newly created enterprise zone is situated around the thriving digital cluster of Boho, it offers digital companies looking to locate to the area the opportunity to qualify for up to £55,000 a year of rate relief over five years.

The Enterprise Zone aims to address two major factors which are critical to the fortunes of the high street. The Enterprise Zone overlaps with two of the main access points into the retail core, by encouraging additional commercial activity, animation and environmental experiences, we aim to drive additional employment into the area and retain highly skilled jobs with significant disposal income which further supports retailers and food and beverage outlets.

Going Forward

We all know the UK High Street is facing unprecedented challenges to its long term viability and vitality. Middlesbrough's businesses are not immune from that.

For the future of the town it is therefore vital that the Council continues to place a major emphasis on supporting the City Centre. A vibrant centre is not only important for our communities but it supports thousands of jobs. Middlesbrough provides the City Centre to the Tees Valley and we have a wider role to ensure that we can provide the right opportunities to support the wider growth of the region. A strong Middlesbrough City centre is fundamental to the success of the wider areas.

As the Deputy Mayor and holding responsibility for the City Centre I hope my report provides you with an outline of the incredible amount of work and investment the Council is making to supporting our wonderful Centre. This drive will not abate its vitally important that the Council continues to support the business economy in these challenging times for the High Street and that is what I and this council are working towards.