

**EXECUTIVE MEMBER REPORT TO COUNCIL
Wednesday 16th January 2019**

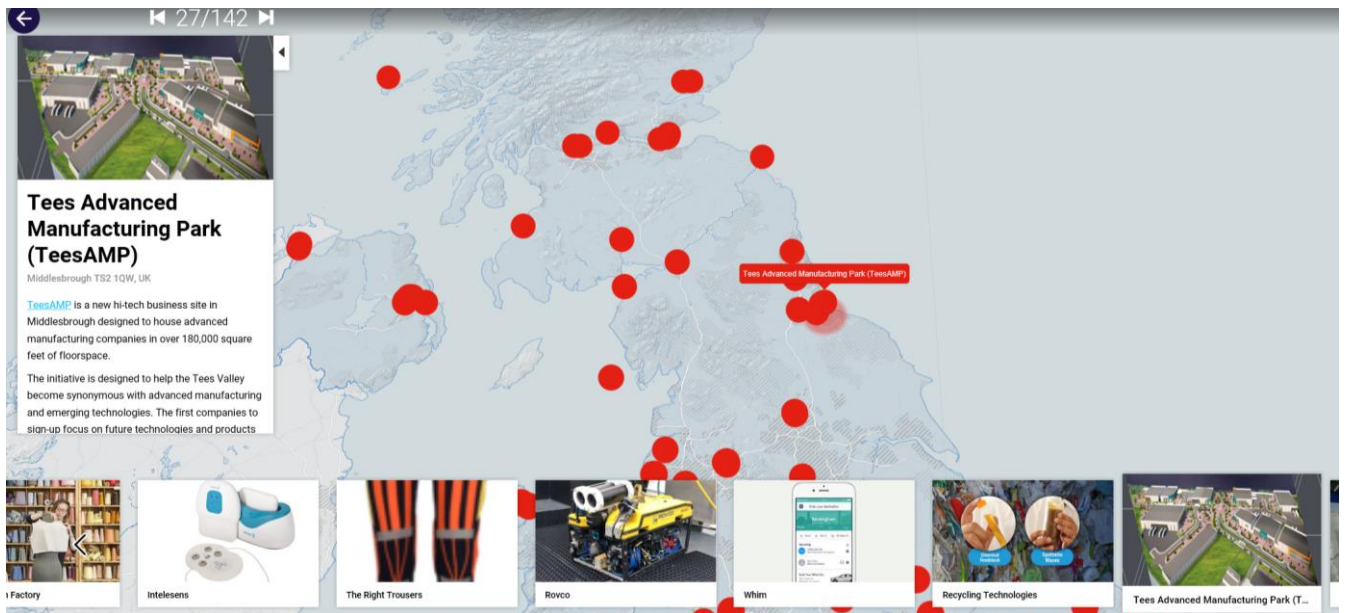
1. TeesAMP

TeesAMP is now entering its most exciting and important stage; as construction is due to commence early in 2019. Construction company ‘Robertson’s’ has been selected as the preferred contractor following a procurement exercise running between October and December 2018.

TeesAMP has been cited as one of 100 key case studies in the Department for Business, Energy, Innovation and Skills (BEIS) interactive Industrial Strategy interactive map / website. This exposure sets TeesAMP apart as one of the major national developments to host the next generation of Advanced Manufacturing.

The first lease for the site is nearing completion and interest in the facility continues to grow apace. Should all of the interest shown come to fruition the site would be heavily oversubscribed.

The level of interest received in the development to date has exceeded expectations, both in terms of quality, new inward investment and strategic fit with the objects of TeesAMP. Typically, enquiries gain most traction when construction commences on site and prospective tenants can see progress. To have gained so much interest prior to the commencement of construction is extremely encouraging and increases the propensity of securing firm tenancies, prior to the completion of the development.



2. Centre Square

The development at Centre Square continues to progress well with the main structure of both buildings now erected. The construction programme is on target and will be complete by August 2019.

Bowmer and Kirkland have continued where possible to utilise local labour and the local supply chain during the construction of buildings 1 and 2. They are reporting that 29% of the labour on site is based within a 5 mile radius and over 54% based within a 20 mile radius. Bowmer and Kirkland are reporting that almost £1,000,000 has been directly spent within the local supply chain demonstrating that the project is benefitting the local economy.

Building 1

Works are progressing well, the erection of the steel for the main structure of the building is now complete with each floor now in place. The curtain walling to the south and west elevations are progressing and work on the roof has commenced.



Building 2

Building 2 is slightly ahead of building 1. The structural steelwork for building is complete with the roof in place. Work is progressing on the installation of external panelling and glazing with external brickwork also commencing. The building is starting to look impressive and the vision for Centre Square is becoming tangible.



On 19 December 2018, Members were invited to a site visit to witness, at first hand, the progress of the development. The event was well attended and members had the opportunity to raise any queries they may have had on the construction process.

In December 2018, approval was sought for the disposal of the Council's stake in Melrose House, for the purposes of additional office development in the estate. As a legacy property of Cleveland County Council, corollary approval was also required from neighbouring authority stakeholders. The transaction represents a further 50,000 sqft of development for the estate and discussions are at an advanced stage in securing a nationally renowned tenant associated with financial services.

Interest continues to be strong in the available space at Building Two. There are various configurations currently under discussion including a large tenant able to take the entire space, to more modest requirements which have interest in a single wing or floorplate. Commercial confidentiality restricts the disclosure of these parties and their interests, however it is expected that negotiations will progress such that an announcement can be made prior to the construction programme completing.

3. Boho Facilities

In support of Middlesbrough's burgeoning digital cluster, Middlesbrough Council has invested in some significant upgrades to the Boho One and Boho Five facilities.

Significant investment has been made to the IT infrastructure to improve the speed, security and resilience of internet and server capacity in the facilities. Covering both Boho one and five, the upgrades will double internet speeds and protect against costly downtime.

Pending residential development, by Thirteen Group, on part of the car park to the rear of Boho One has necessitated investment in a new, nearby parking facility to serve the cluster. This will improve the safety and security of parking provision and expand capacity to better accommodate visitor and client parking. This investment is consistent with the emerging plans for Boho Next Generation which will be considered by Executive in the near future.

To improve security and the sense of arrival for clients, office space has been converted to a new reception area for the Boho 5 tenants (below). This area serves as collaboration space for tenants as well as a welcoming reception area. The area also deploys the latest technology in terms of offering a virtual reception. This allows tenants to manage and monitor access to the facility, with a self-service model. The adaptations have been designed and delivered by Boho 5 tenant, Cocoon and Bauer; interior design specialists. Tenants are reportedly delighted with the work.



4. City Centre

Whilst Middlesbrough continues to perform comparatively well in challenging circumstances, there is no room for complacency. A new, sector-led, strategy has been developed to meet the needs of the City Centre, encourage inward investment and stimulate growth. The strategy will be considered by Executive on 22nd January and provides the strategic framework which will steer investment, multi-disciplinary agency and partner activity; to 2023.

The strategy emphasises the roles and obligations of all city centre stakeholders, as a strategic collaboration whereby the Council enables all businesses and stakeholders to take some responsibility for the continued success of the area. Crucially, the strategy has been developed in partnership with city centre stakeholders and is reflective of the evolving function of high streets; and the macro-economic challenges. As such, the strategy is relevant, impactful and gives Middlesbrough the best possible opportunity to weather challenging market conditions and adapt to the modern consumer environment.

Five priorities have emerged, each with their own underlying actions. All have the common aims of growing the frequency and duration of footfall in the City Centre. Delivery against these priorities will build on Middlesbrough's latent strengths and create a compelling offer for residents and visitors alike.

1. A quality place.
2. Attract and Enhance.
3. Animate and Inspire.
4. Opportunity and Investment.
5. Connect.

5. Middlesbrough Rail Station

Regeneration

At the beginning of November, Middlesbrough Council chaired a stakeholder workshop at the Riverside Stadium. The purpose of the workshop was to produce the Output Definition Document (ODD), for the development for the southern entrance and associated public realm around the station. The session was facilitated by BDP (who produced the Station Masterplan) and contributors included Middlesbrough Council, TVCA, Network Rail, First Group and Northern Rail.

As a result, the masterplan team has engaged in a soft market testing exercise to ascertain what type of retailers would wish to occupy the area, providing a steer on layout, possible occupancy levels and what other facilities a business would expect and want to see in such a development. The ODD document has now been produced and issued to Network Rail to design 3 options, which when complete will be issued to the Programme Board to formally select a preferred option to 'commit to build'. Consultation will be undertaken with local stakeholders throughout the process to ensure that they're part of the wider discussion around the development.

Capacity Issues

In November, TVCA approved and committed additional funding to contribute towards the delivery of a solution to relieve current capacity issues at the station and provide resilience for additional services to be implemented in the near future; namely the improved 'Northern Connect' and direct London service. The latter improved services place additional shunting

movements in the station; which results in the need for an additional platform to allow impending services and future growth.

The results of the Strategic Outline Business Case (SOBC) will be formally released in March 2019, with headlines results due earlier in the New Year. The SOBC was commissioned by the DfT to formally highlight the position, and solutions for capacity improvements due to the new services that are due to operate from December 2019 and 2021. Network Rail were commissioned to undertake the work on behalf of the DfT and acknowledge that an interim solution will also need to be implemented until the long term solution is agreed and implemented.

The interim solution is likely to consist of signalling improvements, timetable amendments and a potential platform extension. Any interim measures will be mindful of signalling improvements being fit for purpose for longer term solutions such as a new platform and estate developments on the northern side of the station. This will remove the potential of duplication of signalling works, which could be disruptive to the wider rail network in the region.