

EXECUTIVE MEMBER REPORT TO COUNCIL Friday 15th March 2019

1. TeesAMP

Construction has commenced on Middlesbrough Council's £22.5m, 180,000 sqft advanced manufacturing park.

Contractors, Robertson Group, mobilised on site on 18 February as part of a year-long construction programme, with the first units being completed in late 2019.

Robertson Group have tasked Terry Hanlon, their Community Development Manager, to engage with the local population in respect of apprenticeship opportunities and the attraction of local labour to the scheme, adding huge social value to a major regeneration development.

The local supply chain is being engaged with local company, Nationwide Structures, appointed as steel fabricator. In constructing the units around 90 per cent of the 750 tonnes of steel will come from British Steel at Redcar. A trend which is hoped to be replicated across the project, with details reported to Executive, regularly.

2. City Centre Strategy

Middlesbrough's City Centre Strategy was endorsed by Executive on 22nd January 2019 and provides the strategic framework which will steer investment, multi-disciplinary agency and partner activity to 2023.

The strategy provides a clear vision for the area and a package of interventions which will shape Middlesbrough's economy for a generation, providing additional confidence to our business community and bringing together the strategic projects of the Investment Prospectus.

The strategy will underpin a major funding bid to the Future Highstreets Fund. Middlesbrough Council will seek significant funding to help shape and rebalance Middlesbrough's Highstreet economy and take the next step in becoming a stronger city-scale presence, to serve the entire Tees Valley.

Expressions of interest are submitted in March 2019 and successful applicants will have up to a year to develop the detail of their proposals. Middlesbrough's coherent strategy benefits from already having sector endorsement and so can progress to delivery quickly.

3. Centre Square Update

The Grade A office development at Centre Square is transforming the landscape of the area creating new high quality office accommodation to rival any location in the north. The development is also benefiting the local economy; where possible Bowmer and Kirkland are endeavouring to utilise local labour and supply chain. To date Bowmer and Kirkland are reporting that over £1.1m has been spent within the local supply chain and currently they have 29% of labour from within a five-mile radius and 54% from with a 20-mile radius.

Building One

The development of building 1 is on course to complete in August 2019, it will then be handed over to the Council to commence the internal fit out of the building. Works are progressing well with the striking gold panelling and glazing being installed around the building providing a stunning impact on Centre Square. The internal curtain walling works are progressing and brick work to the southern and eastern elevations have begun. The initial mechanical and electrical works have begun and these will continue over the coming weeks.



Building Two

The development of building 2 is on course to complete in July 2019. The glazing and panelling work to the building's exterior is almost complete and provides a visual contrast to building 1. The internal curtain walling is progressing well in all areas of the building and brick work to all elevations has commenced. The entrance to building 2 is currently being formed and the initial work to mark out the parking bays within the car park has begun. Discussions are ongoing with a number of parties regarding the tenancy of the building, the building is at a stage where companies can now visualise how their office environment could look.



4. Centre Square Masterplan

The Council's vision, working with Ashall Projects Ltd., is for Centre Square to be the premier office development in the Tees Valley, framing the public open space with buildings of the highest architectural quality, with a variety of high calibre restaurant and dining options that will appeal to a wide spectrum of visitors. The quality of the buildings and overall environment will rival any development in the region, attract inward investment and create significant employment opportunities.

The Centre Square Masterplan will help realise the ambitions highlighted in Middlesbrough's City Centre Strategy by improving the public realm and events infrastructure, looking at future development opportunities, strengthening the transport links in the area and continuing to renovate the historic cornerstones of the square. It will provide reasons for people to visit Middlesbrough's city centre, stay in the city centre and spend in the city centre. The introduction of the Grade A offices, which will bring professional services back into the city centre, combined with improving Middlesbrough's leisure and cultural offer, will undoubtedly help rebalance Middlesbrough's economy and support its retail sector.



5. Middlesbrough Rail Station

Southern Entrance

The Council is continuing to work closely with Network Rail and TVCA to maintain the momentum on the development of the southern entrance at the station. TVCA (as the client) has submitted formal Client Requirement Documents to Network Rail, which details what was identified in recent stakeholder workshops as well as an external market assessment of commercial demand for the station undercroft (former nightclub) and how best that it will work with the local environment to improve commerciality and connectivity for businesses and commuters alike. Network will now instruct a range of design options to be developed, which will be submitted to the programme board in the summer. The approved development option will be released for public consultation.

Capacity Issues

The Council recently met with the Department for Transport to receive an update on the Strategic Outline Business Case (SOBC) which is due to be finalised and released by the end of March 2019. The SOBC was carried out by Network Rail and commissioned by DfT and Transport for the North (TfN). The purpose of the study is undertake testing on various options to alleviate platform capacity issues at the station. The capacity issues were identified in the Station Masterplan in 2018 and have arisen as a result of both local and national franchise commitments such as 'Northern Connect' and the direct London services.

Officers are regularly meeting with Network Rail and provided additional economic analysis to include in the final business case. This ensures that the economic ambitions of the wider Tees Valley are included as supporting evidence for the development of a third platform at Middlesbrough. The recent update included refreshed housing numbers, inward investment plans and GVA benefits that a new platform would bring. The final report will identify a range of options to release capacity at Middlesbrough Station, along with each options cost / benefit ratio. The DfT will assess them and outline which option provides the best overall benefits. It is likely that the options will contain elements of both signal improvements and a new platform solution. The DfT will then progress the chosen option to an Outline Business Case option and development. All stakeholders are aware that this is of paramount importance to the future of both local and regional rail services.

6. Boho Next Generation – Cluster Launch

Middlesbrough Council is investing £20m in Middlesbrough's Digital Cluster, with the support of TVCA funding.

Boho Next Generation represents a collaboration between Middlesbrough's digital cluster and the Council, to establish a bold and exciting vision for the long term growth of digital technologies in Middlesbrough.

The final masterplan earmarks much of the former St Hilda's area as a new digital campus which can nurture the digital sector, enhance collaboration and provide opportunity for private investment; across a dedicated estate. This delivery was considered by Executive on 12 March 2019 and the final plans were launched with cluster businesses at an event at Boho One.

Early impacts include:

- an exciting and compelling vision for the future growth of the sector - indigenous businesses and new investment can commit, with increased confidence;
- hosting an additional 500 digital and creative jobs within Middlesbrough (up to 2,000 with future phasing);
- the creation of an additional C. 60,000 sqft of prime accommodation in the Boho Zone (complete by 2021) – to meet short term and medium term demands (up to C.200,000 sqft with future phasing);
- invest C. £20m into the Boho Zone (and further stimulate additional private investment / conversions);
- the development of a complementary residential offer – Boho Village; and,
- enhancing the integration and connectivity of the Boho district with the City Centre, aiding the definition of a new commercial headquarters for the digital sector, where the benefits flow to the retail and leisure areas.

Independent analysis highlights firm demand for C.90k sqft of additional space in the digital cluster. Whilst Centre Square Grade A Offices, and private accommodation in the Boho

Zone, provide options for local businesses, the majority of the cluster value co-location across a shared campus.

Of great importance is the inclusion of residential accommodation, Boho Village, within the campus environment. This mixed use approach enhances the viability of urban accommodation in the area and adds huge value to the appeal of the site for digital professionals – integrating a business and residential community around a common theme.

7. Investment Prospectus II

Middlesbrough's second Investment Prospectus will be launched in July 2019.

Two years since its launch, the refreshed plan will reflect on the significant progress that is transforming Middlesbrough. The new prospectus set out new and additional priorities which will supplement the investments already committed.

Middlesbrough's Investment Prospectus has been celebrated by businesses, institutions, government bodies and private sector investors, as an example of best practice. The commitments outlined are more than a vision. They are firm, funded commitments which are being delivered now.

The progress being witnessed - from page to bricks and mortar - is providing huge confidence to investors and is giving Middlesbrough a new credibility and confidence, in the market place.

Since its launch, the Investment Prospectus has delivered*:

- C. £200m of private investment
- C. 130,000 sqft of business accommodation developed
- C. 5 hectares of land regenerated
- C. 1,000 new jobs created
- C. 1,000 new homes built

**outputs are only counted upon completion of the project. Major developments such as Centre Square Grade A Office, TeesAMP and the Rail Station, are yet to be counted.*

As well as the direct physical benefits of the above projects, there will also be a significant contribution to the social regeneration agenda, as new employment and leisure opportunities are secured for the people of Middlesbrough.