

## **EXECUTIVE MEMBER REPORT TO COUNCIL Wednesday 9<sup>th</sup> October 2019**

### **STRATEGIC**

#### **1. Future High Streets Fund**

The Future High Streets Fund is a £675 million capital and revenue grant fund to be allocated to local authorities on a competitive basis. It aims to provide infrastructure investment to help renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability. It will support wider economic growth within local areas, delivering investment and growth across regions in England to deliver the industrial strategy.

MHCLG expects investment to fall under the following themes:

- investment in physical infrastructure;
- acquisition and assembly of land including to support new housing, workspaces and public realm;
- improvements to transport access, traffic flow and circulation to the area
- supporting change of use including (where appropriate) housing delivery and densification; and,
- supporting adaptation of the high street in response to changing technology

The Future High Streets Fund is operating a two-phase process. The first phase, Expression of Interest, has now concluded and Middlesbrough has successfully progressed to the Business Case Development Phase. A business case development grant of up to £150,000 will be awarded to support the development of the ideas contained in the Expression of Interest into a full capital investment business case. An early draft business case needs to be submitted by 15 January 2020 and a final business case needs to be submitted before 30 April 2020. Successful bids will be announced in Summer/Autumn 2020.

This allows Middlesbrough to bid for the larger resource although it remains a competitive process. The Council's Expression of Interest focussed on how to support and improve the town centre.

#### **2. High Street Heritage Action Zone**

Middlesbrough Council's expression of interest for the Historic Quarter to become a High Street Heritage Action Zone (HSHAZ) was successful. Over 200 expressions of interest were submitted nationally and only 69 have been selected by Historic England.

The Historic Quarter Conservation Area surrounds the railway station, and is a key gateway into Middlesbrough town centre. Very few journeys into, or out of, Middlesbrough do not engage with this area at some point. This project provides the opportunity to positively influence people's first impressions of the town.

Middlesbrough Council has applied for £1,095,399 from Historic England, to be spent over four years. The final decision as to the level of funding provided to each HSHAZ, and the associated spend profile, will be taken as part of the process to agree the Programme Design, which should be completed by January 2020. The project will start in April 2020.

The three main elements of the HSHAZ initiative in Middlesbrough are:

1. A property grants improvement programme;
2. Improvements at Exchange Square; and,
3. Development work – professional fees, condition reports, updating the Conservation Area Appraisal and Management Plan and so forth.

The HSHAZ initiative will help breathe new life into the Historic Quarter, unlocking its potential and making it more attractive to residents, businesses, tourists and investors.

### **3. A66/A171 Cargo Fleet Junction Improvements – Update**

Work to deliver this major highway improvement scheme is continuing apace, with a contractor – A E Yates Ltd – formally appointed and a provisional start date of Monday 21st October identified. Officers from the Council's Transport and Infrastructure Service are currently working with A E Yates to finalise the construction programme and agree the temporary traffic management measures required to ensure that disruption to the travelling public is minimised whilst works are underway.

### **4. Boho Next Generation**

Boho Next Generation is an exciting project and is the next phase in the development of the Boho Zone situated within Middlehaven. It forms a key part of the Council's aspirations to develop and support the expansion of the digital cluster within Middlesbrough. The project is predicated on the development of new high quality office accommodation with innovative public realm spaces, providing a new focal point to help project and promote the strengths of the Boho Zone and the area's wider digital sector to audiences within and beyond Middlesbrough and Tees Valley; attracting new investment and interest in to the area, creating the right environment for mixed uses of business and residential in the area.

The master plan for Boho is being revisited to ensure it is aspirational and providing the right mix of business and residential development. A new plan will be launched in October.

Boho 8 is the first phase of Boho Next Generation and will see the creation of 10,000 sqft of prefabricated modular office units that will provide a pressure valve for companies within Boho who are at bursting point and unable to expand in to larger premises within the Boho Zone. Seymour Architecture has been commissioned to design Boho 8 with a view to submit a planning application before December 2019. The overall design and build period is due to take approximately 47 weeks.

Boho 10 is the focal point of the development and will see the creation of an iconic building that will rival any new development in the region. It will provide high quality Grade A office accommodation and facilities which will support the growth of the digital sector and support the Council's vision to diversify the town's economy and

create more high skilled, knowledge intensive jobs. Indicative designs have been produced and architects will be procured with a view to submit a planning application December 2019/January 2020.

#### **4. Planning Update**

Planning applications have been submitted for

Grey Towers Farman - additional 41 dwellings (Barratt Homes)

Brackenhoe - 350 dwellings (Galliford Try)

Hemlington Grange - 238 dwellings (Taylor Wimpey)

We are also anticipating that Persimmon will shortly be submitting plans for the next phase of their development at Hemlington Grange. Developers continue to show a strong interest and confidence in developing in Middlesbrough reflecting the strong demand for new housing within the town. Recent town centre planning applications for student accommodation have been approved at the former Maplin Store on Linthorpe rRad (60 beds) and the former Camels Hump site (83 beds) and an application has recently been submitted for an 8 storey 89 bed student scheme on land adjacent to 234 Linthorpe Road. The University are themselves in the process of building a 6 storey Student Accommodation block (300 beds) on woodlands Road which provides well designed living, highly sustainable and modern accommodation for students to compliment their other ongoing developments within the Campus which includes the Student Life Building on Southfield Road which is now nearing completion.

It is understood that a number of other large scale town centre and out of centre developments are in the pipe line and planning applications are likely to be submitted within the coming months. Officers continue to work hard and closely with developers, investors, and the community to ensure that schemes come forward that meet and deliver the Councils aspirations for high quality developments.

#### **5. Tees Advanced Manufacturing Park (TeesAMP)**

Work on the industrial units is on programme and due to complete by March 2020. 11 hectares of land has now been remediated. All buildings are now well under construction.

The Council is working with River Tees Rediscovered using Heritage Lottery Fund resources to develop the TeesAMP Heritage & Recreation Park (see drawing below). Work started w/b 16th September and should be completed by early October. In the long-term, the Park will be maintained as part of the TeesAMP estate. The site will not be fully accessible until March 2020, when it will finally link-up with the footpaths leading into the industrial estate and through onto the riverbank.

There are currently five companies in advanced discussions with the Council on letting over half of the 180,000 sq. ft. TeesAMP floor space. One company has agreed final terms. However it is unlikely that any of the five companies will formally sign an Agreement to Lease before the New Year, due in part, to the following:-

- Given the site is not due for opening for another six months, there is no reason for companies to rush into commitments.

- At this stage, the size and scale of the units under construction has created a buyers-market (effectively like buying a house off-plan), allowing companies to keep their options open without significant competition at present.
- Four of the five companies have international investors backing them – the extraordinary national economic and political backdrop has created significant uncertainty unlikely to be assuaged in the absence of clarity on future trading arrangements and potentially worsened in the event of an Article 50 extension.

*Heritage & Recreation Park Plan*



**Site Progress**



**INVOLVEMENT AND PROMOTION**

## 6. Tees Valley Business Compass Update

The business compass is the central business support hub commissioned through TVCA to support businesses with their expansion and growth plans across Tees Valley.

The Council refers businesses into this service where appropriate when a business is in need of support to help them start a business, seek capital grants to support expansion, as well as growth strategy consultancy support, skills and training.

The Compass is currently delivered by the BE Group and has been operating for 3 years. The table below shows intervention in Middlesbrough up to June 2019.

Fund Management for Middlesbrough					
Fund	Broadband voucher	Business Growth Grant	Energy and Low Carbon Grant	Innovation voucher	Total
Number of grants approved	1	111	3	6	121
Number of grants offered	1	111	3	6	121
Amount of grant offered	£2,719.20	£1,214,031.33	£10,997.36	£27,491.64	£1,255,239.53
Number of grants & amounts accepted by company	£2,719.20	£1,242,514.55	£10,997.36	£27,491.64	£1,283,722.75
Breakdown of the pipeline	£0.00	£186,841.00	£40,100.00	£4,950.00	£231,891.00

The Compass is currently under review as funds are ERDF based and drawing to a close. It is the intention of TVCA to evaluate the scheme and go through a transitional period from Dec 19 – July 2020 to ensure future funds are secured to deliver quality support to business and continuity of the scheme.

Any members handling requests for business support should refer them to the Economic Growth Service or refer the businesses to <https://www.teesbusinesscompass.co.uk/>

## 7. Rail

The Council has been working with all stakeholders across the region to lobby for the extension of the Manchester Airport Trans Pennine service to Redcar Central. The service will give Teesside passengers access to York, Leeds and Manchester without having to change trains at Middlesbrough as is currently the case. This will be in operation from December 2019.

This extension provides vital connectivity for additional services to and from Redcar; enabling residents from both Boroughs to have greater travel choices to access employment, training, education and leisure opportunities across the north of England.

## 8. Bus

Stagecoach and the Council have agreed to embark upon a pilot scheme for employees to allow them discounts on travel tickets across the Teesside area. The scheme has already been trialled successfully in Tyne & Wear. Middlesbrough is a significant net importer of employment each day, so trialling such a scheme here is a natural choice for improving connectivity and making sustainable travel choices more attractive.

The scheme will provide 10% off a 4-week Teesside megarider / Teesside & Hartlepool megarider. Unique discount codes will be supplied to individual employees (via their Middlesbrough Council email address).

Stagecoach will also provide a 30% off Teesside & Hartlepool dayrider PLUS tickets when purchased in a bundle of 5. By adding 5 x dayrider PLUS tickets via the Stagecoach Bus App, the discount of 30% will be automatically applied. This is a great option for part-time workers who don't get to benefit from the value of a megarider and its 7 days of consecutive travel (given their working patterns).

## **9. Highways**

The Dixons Bank / Southern Cross improvement scheme was fully completed and operational to all highway users on 30<sup>th</sup> September. The scheme was fully-funded from section 106 developer contributions and was designed and constructed to improve vehicular movements at peak times in the south of the town.

## **10. Streetworks**

The Council is continuing to work as part of the North East region to progress the introduction of the new Permits Schemes as requested by the Secretary of State. Middlesbrough as well as all North East local authorities are currently consulting on their Permit Scheme Policy Document. The consultation will close on 30<sup>th</sup> October 2019 and submitted comments will be published on the Council website.

As well as the introduction of the Council's Permit scheme, it has to consider the introduction of Street Manager (also due to be launched by the Department of Transport around the same time). This is where they are switching off our method of interacting with utilities in favour of their own developed service. This will result in a significant move away from how Council's currently manage their Streetworks function. The Department for Transport are due to visit the North East with an update at the end of October. The Council will continue to be an active stakeholder in the ongoing process.