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**ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL**

A meeting of the Economic Development, Environment and Infrastructure Scrutiny Panel was held on 12 September 2018.

**PRESENT:** Councillors Storey, (Chair), Arundale, Branson, Higgins, Hubbard, McGloin and Walkington

**OFFICERS:** P Clarke, S Lightwing, H Nelson

**APOLOGIES FOR ABSENCE** were submitted on behalf of Councillor Lewis.

**DECLARATIONS OF INTERESTS**

There were no Declarations of Interest at this point in the meeting.

**1 MINUTES - ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL - 4 JULY 2018**

The minutes of the meeting of the Economic Development, Environment and Infrastructure Scrutiny Panel held on 4 July 2018 were taken as read and approved as a correct record.

**2 MIDDLESBROUGH'S HISTORIC BUILDINGS**

The Head of Planning and the Conservation Officer were in attendance at the meeting to provide information in relation to historic buildings in Middlesbrough.

The historic environment included areas and buildings, bridges and structures, archaeological sites, streets, landscapes, parks and other green spaces. It was more or less everything you encountered and part of Middlesbrough's identity. A key factor was that it was non-renewable and a shared resource that everyone could benefit from to some extent.

Successful development and regeneration schemes were well informed and worked with the historic environment rather than considering it as a constraint. Good planning decisions made good places where people wanted to live and work and thrived economically. The Conservation Officer tried to ensure that the historic environment was considered as part of the development and regeneration agenda to ensure that Middlesbrough's character and identity was retained.

The Conservation Officer provided an overview of her work which included providing advice on changes affecting Middlesbrough's historic environment and de-risking development proposals to help achieve successful schemes. This was mainly achieved through the planning system by providing advice on pre-application enquiries and on planning and listed building consent applications to the Council's Development Control Team as well as residents, businesses, contractors, developers, planning agents and architects. The Conservation Officer also advised the Local Plans Team on policy-making and on Council projects and schemes to the Economic Development and Estates Teams. Archaeological advice was sourced from an external provider.

Since 1947 building conservation had been managed through the planning system through various consents including Listed Building Consent, Scheduled Monument Consent, Planning Permission and Designated Heritage Assets. The main legislation regarding conservation in the planning system included: The Planning (Listed Buildings and Conservation Areas) Act 1990 and the National Planning Policy Framework (NPPF) 2018. The legislation aimed to promote sustainable development and refusal of applications, where harm to designated heritage assets was identified.

Middlesbrough's designated heritage assets included 3 Scheduled Ancient Monuments, 126 Listed Buildings designated nationally, 1 Historic Park and Garden designated nationally and 8 Conservation Areas designated nationally. It was highlighted that the Fishpond east of Acklam Park, designed as Scheduled Ancient Monument, was in a poor state of repair and

very overgrown. The Conservation Officer explained that sometimes being overgrown could in fact protect a site. Historic England were responsible for Scheduled Ancient Monuments and maintained an At Risk Register. The Conservation Officer was not aware that the Fishpond was on the At Risk Register.

The Local List was created in 2011 using national criteria applied at a local level. In Middlesbrough the Local List was particularly important because most of the heritage was relatively young and did not meet the national criteria for Listing. Whilst heritage assets were considered valuable locally, they might not be valued nationally. There were 91 buildings and sites on the Local List and it provided some influence and control over changes that might be proposed. As part of the planning process, when changes to buildings were proposed, the Conservation Officer could provide advice.

The protection of the Local List buildings could be strengthened with the imposition of an Article 4 Direction. The Council had obtained an Article 4 Direction for The Crown building in Linthorpe Road when proposals were put forward to demolish it. An Article 4 Direction imposed a requirement that planning permission was required to make any changes, potentially giving the Council more influence over proposed developments.

The Head of Planning advised that the Local List was due for review and was included in the Work Programme.

The Conservation Officer also advised on regeneration schemes, in consultation with Historic England and the Heritage Lottery Fund. Recent examples in Middlesbrough were the renovation of the Town Hall, the Railway Station Masterplan and more recently, the Historic Quarter Masterplan.

Another aspect of the Conservation Officer's role was Development Control which included advising on works to Listed Buildings and Local List buildings and sites as well as development affecting Listed Buildings, Scheduled Monuments and Conservation Areas. Listed Building and Article 4 enforcement was another theme and this was often in response to the general public making contact with the Council. A recent example was where a shop sign and balustrade had been removed without planning permission from a building in the Linthorpe Conservation Area. This had been a genuine mistake and the developer had co-operated with the Council to ensure that the sign and balustrade were re-instated.

The House of Fraser Building in the town centre was not a listed building, or currently in a Conservation Area. The building's only protection was its inclusion on the Local List. It was suggested that consideration could be given to all the buildings on Middlesbrough's Local List being covered by Article 4 Directions.

In terms of strategic planning, the Conservation Officer was involved in the drafting of Local Plan documents and site allocations. There was also a role to designate new Conservation Areas and consider Article 4 Directions. Recent considerations included the Town Centre and Middlehaven for Conservation Areas, and an Article 4 Direction for Acklam, to provide greater control over new housing development. An Article 4 Direction had been in place in Linthorpe since 2008 due to concerns about householders making changes to the character of the area by replacing original features and materials. The Article 4 Direction provided extra planning control over alterations to dwellings, mainly to the front. Linthorpe was currently being re-surveyed and photographed to assist with planning decisions and enforcement.

A key part of Middlesbrough's historic environment was its industrial heritage, which was concentrated around St Hilda's and Middlehaven and included the 1830 branch line from the 1825 Stockton and Darlington Railway. Buildings on the Local List included Britannia Testing House, Storrow's Building and the Locomotive Shed and Gate Piers.

In relation to heritage at risk, Historic England were responsible for monitoring Grade I and II\* Listed Buildings and Ancient Monuments. Generally buildings that were not in use were most at risk. Reference was made to the unoccupied old Town Hall at Middlehaven and the surrounding area which was overgrown, making the building look almost derelict. It was noted that the building needed a purpose and hopefully alongside the re-development in

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Middlehaven, an appropriate use would be found for it.

It was suggested that a map detailing heritage sites could be produced including some walks around the area. A further suggestion was made that this information could be promoted in the Love Middlesbrough magazine.

Historic sites also had an economic benefits - attracting visitors who spent money there and also in local hotels, shops and restaurants - creating more activity and employment by local businesses. The Transporter Bridge was highlighted as an important tourist attraction which would also hopefully benefit from developments in Middlehaven such as the Snow Centre. The Bridge itself had been developed and included a lift to a viewing area as well as steps. It was suggested that this could also be promoted more widely.

The Chair thanked the Officers for their informative presentation.

**AGREED** that the information provided was received and noted.

### 3 **HOUSING DELIVERY VEHICLES (HDVS) - DRAFT FINAL REPORT**

The Democratic Services Officer presented the draft Final Report of the Economic Development and Infrastructure Scrutiny Panel on Housing Delivery Vehicles (HDVs).

The aim of the scrutiny investigation was to investigate Housing Delivery Vehicles (HDVs) to ascertain their effectiveness in addressing local housing market needs.

The Panel discussed conclusions and recommendations for inclusion in the Final Report.

**AGREED** as follows that:

1. The following conclusions were included in the Final Report:

a) **TERM OF REFERENCE A** - To investigate different models of Housing Delivery Vehicles (HDVs) and the benefits and challenges they can provide to Local Authorities including evidence of best practice models in operation.

- From the information provided by North Kesteven District, South Tyneside, Croydon, Birmingham City and Stockport Councils the Panel considered various wholly-owned companies and joint ventures in detail. Whilst the main focus for the majority of HDVs is to generate income, other benefits such as meeting the needs of the wider population, job creation, and quality are also extremely important and can be tackled through the establishment of an HDV.
- HDVs also provide an opportunity to re-shape the local housing market; enable and increase home ownership and reverse the current high proportion of private sector renting.
- Councils taking a more pro-active role in housing the market enables staff to develop new skills and in-house services. However, tensions can occur and establishing good working relationships is vital. Good governance and a clear business plan at the outset are essential to the success of a HDV.

b) **TERM OF REFERENCE B** - To identify the initial resources needed to set up a HDV as well as the potential financial returns.

- The Panel found that most HDVs are established with capital funding from the Council and further lending as required. In addition to Council lending, there are various funding sources available. The potential financial returns to the Council are received through loan repayments, generally with an interest rate of 4-5% and any dividends from company profit.
  
  - As well as income generation it is noted that other issues which can be addressed by HDVs such as homelessness, providing specialist housing for people with disabilities or older persons' housing, can also contribute indirect savings to Council resources.
- c) TERM OF REFERENCE C - To examine Middlesbrough's Local Plan to understand what sites are currently available for housing throughout the town and how the projected increase in population and need for a further 5,500 dwellings by 2029 can be met.
- Middlesbrough's Local Plan is currently being renewed and indicates the need for a further 5,500 dwellings by 2029. Whilst that number can most likely be achieved from the current market, having an HDV will provide more scope and control over available land.
  
  - Other Local Authorities are now getting their Local Plans adopted and Middlesbrough will be competing with sites which, in marketing terms, are more desirable.
- d) TERM OF REFERENCE D - To investigate how Middlesbrough Council can ensure that the requisite associated infrastructure for new housing development including roads, schools, services and green spaces can be delivered in conjunction with a HDV.
- The Local Plan is reviewed every 5 years and infrastructure requirements are taken into account based on best assessments and development sites. An Infrastructure Delivery Plan is produced alongside the Local Plan outlining the requirements to support the Plan's proposals. With an HDV in place, the Council has greater control over the timescales for delivery and design of sites. Whilst sites can be controlled by planning conditions, Developers can apply to vary conditions to increase the number of houses from the original plan, in order to maximise profit, which impacts on infrastructure requirements.

2. The following recommendations were included in the Final Report:

- a) In order for Middlesbrough Council to take pro-active role in re-shaping the local housing market, as well as Middlesbrough's landscape, the Council should establish its own Housing Delivery Vehicle (HDV) in the form of a wholly owned Company Limited by Shares (CLS).
- b) The Council will provide the initial capital required to establish the Company with a loan from the Public Works Loan Board (PWLB). The Company will repay the loan to the Council at a higher interest rate, and the profit should be re-invested into housing provision.
- c) Council-owned land will be transferred to the Company for housing development. Efforts should be made to unlock unused sites which are not attractive to Developers and maximise the delivery of houses on brownfield sites.
- d) The Company will provide mixed tenure housing for sale and rent, in the first instance, ensuring affordable, innovative, sustainable and excellent quality provision, which contributes to the social and physical regeneration of Middlesbrough in line with the Council's Strategic

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Plan 2017-2021.

e) Through its HDV, Middlesbrough Council will strive to be an exemplar landlord, retain control over rents, and provide high customer service standards that other landlords will aspire to achieve. Tenancy agreements will include requirements in relation to the standards expected of tenants in respect of their accommodation.

f) The Council will use its HDV to expand training opportunities for local people, provide apprenticeships and, where possible, employ local people.

g) The Council should consider utilising its own in-house architectural services to provide greater control over the quality, size and design of builds. Having modern, innovative and attractive designs is crucial to developing a housing offer that appeals across different demographics and encourages inward migration to Middlesbrough. An in-house service can also trade in the private sector and realise additional revenue for the HDV.

h) The Council should also consider providing an in-house property maintenance service to ensure that all properties remain in good condition and tenants receive high quality and reliable provision.

i) All new development by the HDV should be demand-led with an effective marketing strategy in place, to ensure that accommodation is not unoccupied for any length of time once completed, since this will impact on a scheme's profitability.

j) When planning new housing developments, the Company should engage with Middlesbrough residents and/or potential tenants to ensure that the accommodation provided meets local needs.

k) The Council will ensure that the Infrastructure Delivery Plan supports Middlesbrough's Local Plan's proposals so that the requisite open spaces, transport, highways, education, utilities and community facilities associated with providing a further 5,500 dwellings by 2029 are provided.

l) Once the wholly owned Company is settled, consideration should be given to expanding into building and managing social housing stock, possibly through a separate Housing Delivery Vehicle.

3. The report would be submitted to the Overview and Scrutiny Board for consideration.

#### 4 **OVERVIEW AND SCRUTINY BOARD UPDATE**

The Chair gave a verbal update on items discussed at the Overview and Scrutiny Board meetings held on 2 August and 4 September 2018.

#### **NOTED**