

# MIDDLESBROUGH COUNCIL

**DRAFT**  
**FINAL REPORT OF THE ECONOMIC  
DEVELOPMENT, ENVIRONMENT AND  
INFRASTRUCTRE SCRUTINY PANEL –  
INFRASTRUCTURE DELIVERY**

## CONTENTS

<b>Aims of the investigation</b>	Page 2
<b>Mayor's Vision</b>	Page 2
<b>Council's Core Objectives</b>	Page 2
<b>Terms of Reference</b>	Page 2
<b>Background Information</b>	Page 2
<b>Housing Development and Local Plan</b>	Page 3
<b>Transport</b>	Page 5
<b>Broadband</b>	Page 6
<b>Conclusions</b> Term of Reference A Term of Reference B Term of Reference C	Page 9
<b>Recommendations</b>	Page 9
<b>Acknowledgements</b>	Page 10
<b>Background Papers</b>	Page 10
<b>Acronyms</b>	Page 10

## **AIM OF THE INVESTIGATION**

1. The aim of the investigation was to examine infrastructure planning and delivery in Middlesbrough to ensure that facilities including housing and buildings, transport, and communication are suitable for the town's needs and continued economic development.

## **MAYOR'S VISION**

2. The scrutiny of this topic fits within the following priorities of the Mayor's Vision:

*(Information to be added)*

## **COUNCIL'S THREE CORE OBJECTIVES**

3. The scrutiny of this topic aligns with the Council's three core objectives as detailed in the Strategic Plan 2017-2021<sup>1</sup>:
  - Business Imperatives – Ensuring that the Council operates efficiently and effectively so that physical and social regeneration outcomes are maximised.
  - Physical Regeneration – Investing in Middlesbrough to provide and improve facilities which act to increase the town's reputation, create social opportunity and improve the Council's finances.
  - Social Regeneration – Working with our communities and other public service organisations to improve the lives of Middlesbrough's residents.

## **TERMS OF REFERENCE**

4. The terms of reference for the scrutiny panel's investigation were as follows:
  - A) To investigate current infrastructure planning in Middlesbrough specifically in relation to broadband, housing development and transport, and how this aligns with local and national priorities.
  - B) To identify and explore the obstacles or challenges to infrastructure delivery.
  - C) To consider mitigation measures that could be put in place to improve the resilience of existing infrastructure.

## **BACKGROUND INFORMATION**

5. "Infrastructure shapes our lives. Transport links get us where we need to be, energy systems power our homes and businesses, and digital networks allow us to communicate. Infrastructure supplies us with clean water, takes away our waste and helps protect us from

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<sup>1</sup> Middlesbrough Council's Strategic Plan 2017-2021

the elements. It is vital to improving our quality of life and integral to the creation of vibrant new places to live and work.”<sup>2</sup>

6. Infrastructure planning and delivery has to be balanced against existing physical constraints as well as financial implications. Existing towns cannot be re-designed. When planning new development for economic growth it is vital to ensure, as much as possible, that the infrastructure can cope with the demands placed on it.

## **HOUSING DEVELOPMENT AND LOCAL PLAN**

7. A revised National Planning Policy Framework (NPPF)<sup>3</sup> was published in February 2019 and sets out government’s planning policies for England and how these should be applied. It provides the framework within which locally prepared plans for housing and other developments can be produced. The framework does not contain policies for nationally significant infrastructure projects, as these are determined in accordance with the Planning Act 2008 and relevant national policy statements for major infrastructure.
8. Within the framework, strategic policies should make sufficient provision for housing and commercial development, infrastructure, community facilities and conservation of the natural, built and historic environment. Local planning authorities are under a duty to co-operate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries. There should be effective and on-going joint working between relevant authorities to determine where additional infrastructure is necessary. Local authorities should also use non-strategic policies to provide infrastructure at a local level.
9. Reviewing the Local Plan is a Council function undertaken every 5 years. In general terms, the first 5 years of the Plan are deliverable, the next 5 years are developable and the last 5 year period is usually aspirational.
10. Local Plans are considered to be sound if they are based on proportionate evidence and deliverable over the planned period. In accordance with planning practice guidance, a Local Plan has to be realistic about what can be achieved and when. This involves identifying what infrastructure is required, how it can be funded, and how it can be brought forward.
11. At an early stage, the Local Authority works alongside infrastructure providers, service delivery organisations and other strategic bodies, with a collaborative approach to identifying infrastructure requirements and any deficits, as well as opportunities for mitigation. The quality and capacity of infrastructure and its ability to meet forecast demands has to be carefully assessed. Where any deficiencies are identified, policies are developed to set out how this will be addressed. The need for strategic infrastructure, including nationally significant infrastructure within the local area, is also considered.
12. The Government recommends that Local Authorities use evidence of infrastructure requirements to prepare an Infrastructure Funding Statement (IFS) during the development of the Local Plan. The IFS sets out the anticipated funding from Developer contributions,

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<sup>2</sup> National Infrastructure Delivery Plan 2016–2021 – Infrastructure and Projects Authority – March 2016

<sup>3</sup> National Planning Policy Framework (NPPF) – Ministry of Housing, Communities and Local Government – February 2019

and how those contributions will be used. This is used to demonstrate the delivery of infrastructure throughout the Plan period at the examination stage.

13. Local Plans look forward over a 15-year period and identify infrastructure requirements and improvements - but not in detail, since this depends on the requirements at the time of development. The IFS is quite strategic, high level, and will not necessarily detail all the requirements. However, trigger points as to when infrastructure is required are identified: for example, once a certain number of new houses have been delivered, a new school may be required. School place planning over the length of the Local Plan is difficult because planners do not always know the demography. Planning for the next 5 years can be effective, but after 15 years a whole cohort of pupils will have gone through the system.
14. The IFS covers three types of infrastructure: Green, Physical and Social.
  - Green includes open spaces, allotments, natural green spaces, beck valleys, nature reserves, parks and playing fields.
  - Physical covers bus, road, rail, footpath and cycle networks, park and rides, flood defences sewerage and wastewater treatment, waste management, telecommunications, and gas and electric transmission and distribution.
  - Social includes ambulance, police, fire and rescue and health care services, cemeteries and crematoria, community centres and hubs, education, libraries, adult social care and accommodation and sports and leisure facilities.
15. Initially, a baseline assessment identifying existing provision, gaps or deficiencies in provision, provision that is already planned, responsibility for provision and the relevant provisions within the Local Plan is completed. Once the baseline is established, providers are requested to identify the specific infrastructure items that will support delivery of the Local Plan or contribute towards the creation of sustainable communities. Prioritisation of specific infrastructure elements that may be required in future are classified in terms of importance as follows:
  - Fundamental – infrastructure fundamental up-front to support development, which could not occur without it (for example electricity).
  - Necessary – infrastructure necessary to support development, where the precise timing of provision was less critical and development could commence before it was in place.
  - Desirable – infrastructure that was desirable to enhance quality of life and build sustainable communities, but was not critical over the plan period.
16. Relevant housing sites, the related Local Plan housing policies, the lead delivery organisations, costs, funding, the timing of delivery and the risk of non-delivery and contingency arrangements if the required funding could not be raised, are also included in the IFS.

## TRANSPORT

17. Since 2016 the Tees Valley Combined Authority (TVCA) has been the local transport authority for the Tees Valley. At the time of compiling this report, the TVCA Strategic Transport Plan (STP) is currently out for consultation, with a view to the final STP being published early in 2020. The STP envisages improving the transport system for local people and businesses.
18. The key aims of the STP are to provide:
  - Social Opportunity - helping people access jobs, education, services and leisure opportunities and improving public health.
  - Economic Growth - delivering the Strategic Economic Plan and the economic growth plans of Tees Valley Local Authorities.
  - Environmental Protection and Enhancement - Addressing the impact of the transport network on the environment and supporting the legislative requirements to reduce air and noise pollution, carbon emissions and detrimental impacts on the natural and built environment.
19. The STP includes proposals for improvements to Darlington and Middlesbrough Rail Stations, integrated rail services, a major road crossing over the River Tees, improvements to bus services and a partnership with bus operators, and better traffic management.
20. Middlesbrough's Local Implementation Plan (LIP), which effectively replaces the previous Local Transport Plan (LTP), is the daughter document to the STP. Middlesbrough's LIP will be completed following approval of the STP and will support the STP's aims by making local improvements to contribute towards the high-level goals. Key drivers for the LIP are likely to be: the Mayor's Vision, Investment Prospectus, Housing Local Plan, Network Management Duty, Transport Asset Management Plan and Medium Term Financial Plan.
21. There is little scope for new infrastructure in the urban area of Middlesbrough so the focus of the LIP is on maximising existing assets and increasing capacity. The key components are:
  - Congestion reduction.
  - Environment and air quality improvements.
  - Accessibility.
  - Road safety.
  - Maintained network.
  - Network management.
  - Parking.
  - Connectivity.
  - Modal shift.
  - Infrastructure delivery.
22. In common with other Councils, Middlesbrough has a transport plan for all modes of transport. However, the strategic element of the TVCA enables access to funding to

complete large items of infrastructure which help provide relief on the local networks. Transport infrastructure is not just about the roads but also rail, cycle routes and pedestrians.

23. Middlesbrough's Infrastructure Delivery Plan for Transport is based on Local Plan considerations and aims to improve strategic road connectivity to provide greater network resilience. Middlesbrough Council works closely with neighbouring authorities to identify opportunities for improvements and co-ordinate roadworks as much as possible. Schemes are prioritised as funding becomes available. Funding from Section 106 Agreements may only be drawn down once a development reaches a certain stage.

## **BROADBAND**

24. Whilst the provision of Broadband is not the Council's responsibility, it increasingly impacts every aspect of our lives. According to the UK Government: "Superfast broadband supports business growth and local job creation, particularly in rural areas, and makes it easier for people to get into work by allowing more flexible working patterns. It also enables new ways for people to gain access to health and social care in their homes and provides new opportunities for access to education. People can keep in touch with family and friends more readily and have access to a wide range of entertainment."<sup>4</sup>
25. UK Broadband generally uses Asymmetric Digital Subscriber Line (ADSL) or Fibre Broadband technology. The most readily available broadband is ADSL as it uses existing copper cable from the local telephone exchange. However, copper cabling limits the transmission of broadband to a maximum average speed of 11Mbps. Fibre broadband uses fibre optic cabling which enables faster speeds. Fibre optic broadband is not yet available to the whole of the UK.
26. Fibre to the Cabinet (FTTC) achieves higher speeds by giving the roadside cabinet its own fibre link. Fibre to the Premises (FTTP) properties can be directly connected to the exchange without passing through a street cabinet, however, intermediary boxes - often hidden from view - where fibre links are split to serve individual buildings may still be used. Fibre transmits more bits of data per second by sending pulses of light along optical cables made of glass or plastic. While FTTC offers users average speeds of around 66 megabits per second, FTTP can offer average speeds of one gigabit per second today and potentially terabits per second in the future.<sup>5</sup>
27. Openreach, which is a subsidiary of BT, currently owns and services all the exchanges and connected infrastructure and this is used by the majority of broadband providers. The availability of fibre broadband at the exchanges therefore limits the availability of all providers utilising the Openreach network. Virgin Media however, have installed their own independent fibre network and this dictates the geographic availability of their fibre broadband.
28. Broadband suppliers are not always inclined to invest in communities where it will take a long time to get a financial return on their investment. Currently no Local Authority area in the UK is expected to reach 100% coverage through private sector investment alone.

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<sup>4</sup> UK Next Generation Network Infrastructure Deployment Plan. Broadband Delivery UK - March 2015 – Department for Culture, Media and Sport

<sup>5</sup> <https://www.bbc.co.uk/news/technology-49209013>



Government intervention is aimed at tackling this.<sup>6</sup> The Government has facilitated reforms for electronic communications infrastructure, planning regulations and street works to enable, and speed up, the rollout of broadband.

29. In 2018 the Department for Digital, Culture, Media and Sport Gigabit launched the Gigabit Voucher Broadband Scheme. Gigabit Vouchers can be used by small businesses and the local communities surrounding them to contribute to the installation cost of a gigabit-capable connection. Businesses can claim up to £2,500 against the cost of connection either individually or as part of a group project. Residents can benefit from the scheme with a voucher worth £500 as part of a group project.<sup>7</sup>
30. In 2011 Building Digital UK (BDUK) was allocated £530m by Central Government to bring superfast broadband coverage to over 90% of UK premises and a minimum of 2Mbps to all areas by 2015. At the end of Phase 1, 93.1% of Tees Valley premises had access to superfast broadband, exceeding the 2015 national target.
31. BDUK now has a target of 95% coverage of UK premises by 2019/2020. In October 2017, the Tees Valley Combined Authority (TVCA) was granted permission to deliver Phase 2 centrally. A revised programme aimed to consistently deliver superfast broadband to at least 98.1% of premises (a total of 11,251) across each of the five local authorities in the Tees Valley at a total cost of £2.4m (including £950k from the TVCA and the remaining £1.45m from BDUK). TVCA monies in conjunction with the market and BDUK support has enabled 6,890 premises.
32. Phase 2 of the BDUK Programme will not meet the 98.1% target across the five Local Authorities of the Tees Valley by March 2020. This is as a consequence of an OFCOM value for money decision on the use of Fibre to the Cabinet (FTTC) technology. In response, the TVCA has worked with BDUK and Openreach to develop a full fibre solution which will maximise coverage using Fibre to the Premises (FTTP) technology. On a unit cost basis, FTTP is significantly more expensive than FTTC. FTTP is capable of delivering download speeds of 330Mbps.
33. The existing BDUK programme will only meet the 98.1% target in three Local Authority Areas (Stockton-on Tees, Hartlepool and Redcar and Cleveland). In order to meet the 98.1% target in the remaining two areas and also to move towards 100% coverage, the TVCA is seeking additional external funding from two sources (there is no need for additional funding from the Combined Authority or partner Councils):
  - European Regional Development Fund (ERDF): £2.4 million with circa £1.5m of match funding from the private sector.
  - Rural Gigabit Vouchers: circa £1m from this newly established pot.
34. Rural Gigabit Vouchers can be submitted by the respective Local Authority on behalf of eligible rural communities. The Combined Authority therefore needs to work with relevant Local Authorities to identify eligible rural communities and submit a comprehensive bid to Government which covers all five Council areas.

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<sup>6</sup> UK Next Generation Network Infrastructure Deployment Plan. Broadband Delivery UK - March 2015 – Department for Culture, Media and Sport

<sup>7</sup> <https://gigabitvoucher.culture.gov.uk/>

35. Cumulatively, the use of BDUK, ERDF and Rural Gigabit Vouchers could provide circa 100% coverage across the Tees Valley.<sup>8</sup>
36. Middlesbrough has benefited from the programme but there are still areas of the town that have poor coverage. There are some issues around communication to industrial sites and low speeds and poor infrastructure in some of the more rural areas. The take-up of broadband across Middlesbrough is lower than the national average and providers are more likely to consider funding the required infrastructure, and providing a service, where it is commercially viable.
37. The Panel contacted Openreach and was informed that it is delivering its Fibre First programme, bringing fibre to 4 million front doors by March 2021, and subject to market conditions, 15 million by the end of 2025. At present Middlesbrough has not been selected as one of the key locations, but things could be done to improve market conditions for commercial providers, which could help shape future decision making.
38. *“The National Infrastructure Commission estimates that building and maintaining a nationwide full fibre network by 2033 will cost £33.4 billion. The majority of this will be paid for by industry, so it is vital that the right conditions exist to incentivise that private investment and maximise the speed and scale of build.”* Some of the barriers to achieving and maintaining a nationwide full fibre network were identified by Openreach<sup>9</sup> were as follows:
- *Accessing multiple dwelling units (blocks of flats) and Local Authority buildings. Today we struggle to access 44% of the UK’s flats and local authority buildings, meaning increased costs and delayed installations. Other utility companies – water, electricity and gas – don’t suffer the same restrictions to property access, and we believe network builders would benefit from having similar rights.*
  - *Local authorities can also significantly speed up the build by granting us permission to access their buildings and the land and premises where they have control.*
  - *Mandating fibre in new build developments. More than 165,000 new homes are built each year. Every one of these new homes should have access to an open, wholesale full fibre network – bringing choice and competition to homeowners. Today we offer to build full fibre infrastructure for free to any development with more than 30 homes and we share the cost on smaller sites. But mandatory full fibre for new builds would ensure no new homeowner gets left behind. We could also expand the network faster if full fibre was mandated to be installed when buildings, like offices or blocks of flats, are refurbished.*
  - *More efficient streetworks and traffic management. We know how annoying it is for people to be held up by roadworks when utility suppliers are upgrading and repairing their networks. That’s why we always try to exploit our existing network*

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<sup>8</sup> Tees Valley Combined Authority – Broadband Next Steps Paper - August 2019

<sup>9</sup> Robert Thorburn, Partnership Director, Openreach – 25 October 2019



*and work in tandem with other utility suppliers. When we do have to do some digging or close a road, the advantage of fibre over copper, is that once it's laid, we won't need to touch it again. It can carry increasing levels of data and it's weatherproof. We believe priority should be given to building this new digital network – which would speed up the build and reduce costs.”*

## **CONCLUSIONS**

The scrutiny panel reached the following conclusions in respect of its investigation:

- 39. TERM OF REFERENCE A – To investigate current infrastructure planning in Middlesbrough specifically in relation to broadband, housing development and transport, and how this aligns with local and national priorities.**
- 40. TERM OF REFERENCE B – To identify and explore the obstacles or challenges to infrastructure delivery.**
- 41. TERM OF REFERENCE C – To consider mitigation measures that could be put in place to improve the resilience of existing infrastructure.**

## **RECOMMENDATIONS**

42. Following the submitted evidence, and based on the conclusions above, the Economic Development, Environment and Infrastructure Scrutiny Panel's recommendations for consideration by the Executive are as follows:

## **ACKNOWLEDGEMENTS**

43. The Economic Development, Environment and Infrastructure Scrutiny Panel would like to thank the following for their assistance with its work:

D Carter, Head of Transport and Infrastructure, Middlesbrough Council  
P Clarke, Head of Planning, Middlesbrough Council  
R Horniman, Director of Regeneration, Middlesbrough Council  
R Thorburn, Partnership Director, Openreach  
K Wilson, Economist, Tees Valley Combined Authority

## BACKGROUND PAPERS

44. The following sources were consulted or referred to in preparing this report:

- <https://www.bbc.co.uk/news/technology-49209013>
- <https://gigabitvoucher.culture.gov.uk>
- Middlesbrough Council's Strategic Plan 2017-2021
- Minutes of meetings of the Economic Development, Environment and Infrastructure Scrutiny Panel held on 4 September, 2 October and 6 November 2019
- National Infrastructure Delivery Plan 2016–2021 – Infrastructure and Projects Authority – March 2016
- R Thorburn, Partnership Director, Openreach – 25 October 2019
- Tees Valley Combined Authority – Update on Broadband from K Wilson
- UK Next Generation Network Infrastructure Deployment Plan. Broadband Delivery UK - March 2015 – Department for Culture, Media and Sport

## ACRONYMS

ADSL - Asymmetric Digital Subscriber Line

BDUK - Building Digital UK

ERDF - European Regional Development Fund

FTCC - Fibre to the Cabinet

FTTP – Fibre to the Premises

IFS – Infrastructure Funding Statement

LIP – Local Implementation Plan

LTP – Local Transport Plan

NPPF – National Planning Policy Framework

STP – Strategic Transport Plan

TVCA – Tees Valley Combined Authority

**COUNCILLOR M SAUNDERS**

**- CHAIR OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE  
SCRUTINY PANEL**

The membership of the scrutiny panel is as follows:

Economic Development, Environment and Infrastructure Scrutiny Panel 2019-2020

Councillors M Saunders (Chair), B Hubbard, (Vice-Chair), R Arundale, D Branson, D Coupe, T Furness, L Garvey, M Storey, S Walker

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