

MIDDLESBROUGH COUNCIL

EXECUTIVE REPORT

Teesside University Future Vision and Development

**Executive Member for Regeneration and Economic Development:
Charles Rooney**

Director for Regeneration/Executive: Kevin Parkes

Date (delete this text)

PURPOSE OF THE REPORT

1. The purpose of this report is to set out the vision and future development aspirations for Teesside University and make recommendations in terms of specific areas where the Council will have a direct involvement.

SUMMARY OF RECOMMENDATIONS

2. It is recommended that the Executive endorse the principles of supporting the aspirations for the further development of Teesside University as outlined above. In particular that:
 - a) further development work is undertaken to look at the potential of the closure of up to a 100 metre length of Southfield Road opposite the Library and Student Union Building and that this is then subject to consultation with the local community and businesses. The findings of this work and consultation would then be reported back to Executive later this year;
 - b) support be given for the exploration of the potential of a new multi storey car park being provided jointly by the University and the Council to serve the needs of the campus and the businesses on Linthorpe Road and that this is also reported back to the Executive later in the year.

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

3. It is over the financial threshold (£150,000)
It has a significant impact on 2 or more wards
Non Key

DECISION IMPLEMENTATION DEADLINE

4. For the purposes of the scrutiny call in procedure this report is

Non-urgent
Urgent report

If urgent please give full reasons

BACKGROUND AND EXTERNAL CONSULTATION

5. Teesside University is one of the main assets of the town's and the wider sub-regional economy. The University's role goes well beyond providing excellent higher education opportunities. In its own right it is both a major business and a major very significant employer, employing (in June 2011) 1479 full time staff and 650 part-time staff (in addition to student workers). During 2009/10 the University enrolled 14,000 students who are residents of the Tees Valley, but also 11,500 British students from outside the Tees Valley and 2,000 students from beyond the UK (in addition to the University's students based in locations overseas).
6. Through the University spending power it makes a very significant direct contribution to the local economy. Within UK Universities it also has an excellent reputation for meeting the needs of business and training future employees that the economy needs. Being so business focused has obvious benefits to local employers.
7. The University's influence extends much further and into a wide variety of areas. It has recently opened its new facilities at Darlington. It is a major partner in the DigitalCity programme, which is an influential, and growing, part of the economy in Middlesbrough and the Tees Valley. It draws talent and aspiration into the town for higher education and some of these former students stay to be the future wealth generators in Teesside. Students also use their spending power within the local economy and in particular help support significant components of the town centre economy. Students also have a major influence on residential demand in inner Middlesbrough.
8. In 2007, when the University's turnover was £95m, the University undertook an evaluation with PriceWaterhouse Cooper (PwC) which highlighted the importance of the University and economy.
9. The consultants concluded that the total gross domestic impact of the University was approximately £815m per annum, constituted by the following:
 - a) direct University expenditure on goods, services and salaries (£78m per annum);
 - b) indirect economic impact on the UK economy resulting from expenditure by the University and its staff of £54m per annum;
 - c) student placements and knowledge transfer activities, consultancy income and formation of companies (£49m per annum) of which 91% was within the North East;
 - d) overall lifetime additional economic value associated with the enhanced skills of a single year for University student (of £634m per annum) of whom 75% are from the North East.
10. PwC noted that their analysis did not take into account the wider economic and social role of the University to its community, such as its 'catalytic role' in relation to economic reputation and the unpaid contribution of staff and students to the development of the region.
11. Since the report was completed in 2007, the University's economic impact is likely to have increased. The University turnover in 2010/11 was approximately £140m.

12. Over recent decades Teesside University has consolidated much of its activities within its campus south of Borough Road and east of Linthorpe Road and has added to this area with a series of award winning buildings. This has created a quality environment for education. The Council and University have worked collaboratively to help achieve this success. There is no doubt that the campus is a vibrant part of the core of Middlesbrough.
13. However, the world of higher education is rapidly changing under the Coalition Government. The University expects to lose almost all of its income which currently comes from its primary funding source, the Higher Education Council for England. The University hopes that much of this loss will be offset by the significant increase in student tuition fees to be introduced in 2011/12. However, this creates a very uncertain future financial basis for the University going forward. It is unclear how this will impact on overall student numbers and the distribution of students between England's universities. The future for part-time higher education, for which Teesside's record is amongst the highest, is particularly unclear. Additionally, this is compounded by further uncertainty on the future Government Policy on foreign student intake. Currently foreign students contribute £14m to the University in addition to expenditure locally on living expenses. At this point in time it is unclear the extent to which the number of visas for foreign students will be cut, which will further compound the financial uncertainty for the University.
14. As a consequence, Teesside University is cautious in planning its future and this is reflected in its current aspirations. It may be a number of years before the full consequences of the change in University funding pan out and long term planning can be undertaken with a greater degree of certainty. However, discussions with the University have showed that they still have the aspiration to remain competitive and proactive in the higher education market place through further investment. This is very positive for the town in the current macro economic circumstances.
15. Given the importance of the University to the town's economy it is critical that the Council looks at ways in which it can support the future prosperity of Teesside University. In January 2008 the Executive endorsed the University's Estates Strategy setting out the key aspirations for the future growth and development of Teesside University. As a consequence of the changes in the higher education environment, a review of the Estates Strategy is currently underway involving Council Officers to set out the priorities for the next four to five years that could help secure the University's competitive position.

Future Aspirations

16. The future aspirations for the development of the estate currently include five main components, which are:
 - a) the development of an enhanced heart of campus involving a new teaching building and creation of a new University Square;
 - b) the development of a long term parking solution;
 - c) completion of the park around the Waterhouse building;
 - d) further investment in DigitalCity and key business sectors; and,
 - e) future provision of housing to address student needs.

These are addressed in turn below.

A. Enhanced Heart of Campus

17. The Estates Strategy approved by Executive in January 2008 highlighted the longer term aspiration for two new buildings and an enhanced environment at the heart of campus on Southfield Road. This is the area in the vicinity of the library and students union, and would complete the long awaited north-south pedestrian spine through the campus. Plan A highlights the areas referred to.
18. The University is still hoping to develop a new teaching and conference building in the location identified on the attached plan (Appendix 1). The University has an outstanding track record of producing new, high quality award winning buildings within the University campus. Given the prominent position of the new building, it can be expected that the result will be another outstanding building.
19. This building forms part of a wider plan to develop a new pedestrian square at the heart of the campus. Part of the University's overall attraction and marketing is to provide an environment that will be appealing to students who are considering whether to come to Teesside. Like all businesses, it is important to have good quality marketing and promotion. Students looking at their higher educational requirements evidently consider a number of factors and it is clear that these are not just based on educational matters. The 'place' they come to and the environment thereof is critical. In this regard, the January 2008 Estates Strategy referred to the desire to achieve the eventual part closure of Southfield Road and the creation of a vibrant square at the heart of campus. This central area will help enhance the overall student experience and University environment.
20. The area proposed for closure, identified on Plan A, is at the western end, closest to Linthorpe Road and involves a length of at least x metres east of the Dickens Inn PH terminating immediately to the west of the short stretch of road linking Southfield Road to Southfield lane, adjacent to Centre House. Depending on reconfiguration proposals within the campus it might be possible to extend this closure further eastwards. In all cases the servicing and access arrangements to nearby businesses will need to be protected. Access arrangements along the eastern end of Southfield Road between Marton Road and Woodlands Road, would remain unaltered.
21. Southfield Road is an important east-west link route in central Middlesbrough. Its closure for through traffic at its western end would generate a need for traffic to find alternative routes. In considering the potential of such closure, the Council would need to take a full account of the impacts on the wider traffic movements in the area and how such proposals would affect businesses and residents in the area.
22. However, the potential opportunity of creating a new square at the heart of Teesside University's campus would be a major enhancement of the overall campus environment. It would help the University in its long-term future needs and it is important that the Council helps the University in the challenging environment it faces in the future. It would also be an asset to the town providing an additional public amenity and a continuous safe route for the public to walk through from Albert Road to Albert Park. It is therefore proposed that a full traffic modelling exercise is undertaken over the next three months to analyse the impacts of such a closure. Following this modelling and discussions with both the Executive Members for Regeneration and Streetscene, consultation will be undertaken with residents and businesses in the area on the potential for a road closure order. The outcomes of

this consultation and a final recommendation will then be reported back to the Executive for consideration later this year.

23. Meanwhile, the Council and the University are working together on a series of projects to enhance the public realm in the University area, such as the improvements to Waterloo Road and the enhancement at the entrance to the University's new Centuria South Building.

B. Long Term Parking Solutions

24. Addressing the parking needs of Teesside University has been a significant matter to address in terms of both the development of the campus and how this relates to the wider community in the town. Teesside University attracts a high proportion of students who come from commutable distances. The University makes admirable efforts to encourage the use of transport means other than the private car. However, as part of the future success of the University, it is important to meet the accessibility needs for both its staff and commuting students.
25. The Council has been working for a number of years to assist the University in meeting its parking needs. Over the past 18 months a temporary Park and Ride provision has been made available on Cannon Park to meet the needs of the University. This has been very well used and has helped to relieve parking pressure and associated traffic in the campus area. The introduction of the Park and Ride was, in part, as a consequence of the introduction of the resident parking regime within the University ward primarily to the east of the campus. It was necessary to introduce the residents' parking regime to protect the residential environment of the ward which was suffering greatly as a consequence of street parking by students and staff attending the University as well as other town centre users/businesses. For residents the situation of parking in the ward has now improved considerably and should contribute to the long term viability of the neighbourhood as a residential area.
26. The University and the Council have talked now for some while about longer term solutions to the parking needs for the campus. The Park and Ride at Cannon Park is temporary as it is proposed that the site will be released for re-development within the next two years. The Estates Strategy adopted by Executive in January 2008 referred to opportunities for multi storey car parking to be provided. The provision of a multi storey car park would free up some of the existing surface level car parking with the campus and allow it to be used for any future needs for new build or to enhance the campus environment. However, identifying a site and funding a new multi storey car park is going to be challenging.
27. Concurrently to the debate on the future long-term needs of the University's parking requirements, the Council produced its own town centre parking strategy. This identified that the Linthorpe Road area of the town had a particular need for specific dedicated car parking to meet the needs of businesses in that area including the active night time economy. In terms of addressing this need and the University's own requirement, the associated geography lends itself to a joint solution being looked at by the Council and the University. However, land in the area suitable for the provision of a multi storey car park is limited and its availability will undoubtedly dictate options to be evaluated.

28. The University has indicated its willingness to explore the potential of jointly funding (with the Council) a multi storey car park that will meet both its own aspirations and that of the business community in the Linthorpe Road area.
29. It is therefore proposed to identify a site for a multi storey car park, look at the technical designs in terms of delivery and produce a costed plan. It is then proposed to report back to the Executive with the findings and proposals for how this could be jointly funded and the long-term business plan for such a car park alongside Teesside University. This will need to take account of the wider town centre parking strategy and the Council's revenue forecasts for parking.

C. Enhancement of the Waterhouse Building

30. The Waterhouse Building was built in 1877 as a girls high school and is one of the original buildings incorporated into Constantine college eventually forming the basis of today's Teesside University. It is Grade II listed and its importance in terms of one of the key buildings in the town goes beyond its intrinsic values within the campus as there are relatively few notable buildings remaining in the town centre. Securing its longer term future is therefore very important

D. Further Investment in DigitalCity and Key Business Sectors

31. For a number of years now the Council has been working collaboratively with the University in the development of a number of business sectors linked to the University's own education programmes and research. Critical amongst these has been the DigitalCity programme. This manifested itself in a number of aspects including the construction on campus of the Phoenix Institute for Digital Innovation and the more recent investment in the Boho 1 building.
32. Further development of DigitalCity remains core to the future aspirations of the University and its Digital faculty. The Council and the University have been working collaboratively on a further roll out of the DigitalCity programme. This not only includes the potential for further incubator units and business support in Middlesbrough but the opportunity to roll out of the programme into other parts of the Tees Valley and even further afield.
33. Recently, the Council has also been looking at working with the University in terms of the development of research and development for the engineering industry, particularly linked to the low carbon economy. A further report to the Executive is to be forthcoming highlighting the development of an Advanced Manufacturing Park at South West Ironmasters site adjacent to Newport Bridge for high value engineering. The University has been an integral partner in the development of this concept which could be critical in developing a further key location for business within the town.

E. Future Provision of Housing

34. Meeting the needs for students from outside the area has a major influence on the inner Middlesbrough housing economy. Many students live on campus or in University's managed housing and others live in private rented accommodation. By September this year it is anticipated that a further 245 bedsit units in 53 pods and 3 studios will be added on the former Kwik Save site on the west side of Linthorpe Road. It is expected that the availability of modern accommodation adjacent to the

campus will facilitate the start of a process of renovation and/or vacation of older facilities on campus.

35. Given the significant influence of students in the housing market within inner Middlesbrough, it is proposed to work closely with the University over forthcoming years to look at the longer-term accommodation needs. However, at this point in time, given the uncertainties on future student intake, as outlined above, it is not considered appropriate to make long term projections until the position is clearer.

IMPACT ASSESSMENT (IA)

36. At this stage, no Impact Assessment is required. However, any provision for the closure of Southfield Road or car parking solutions, outlined above, will require an Impact Assessment as part of any future decision.

OPTION APPRAISAL/RISK ASSESSMENT

37. More details on the implications of the proposed Southfield Road closure and car parking future will be considered by the Executive when these have been more fully developed and costs put in place.
38. A major risk to the Council in not working with the University is that it could put in jeopardy the future long term wellbeing of the town's and the area's economy. The University is a fundamental foundation of the Teesside economy and is a significant generator of wealth, activity and future opportunity. Failure to work with the University to help it meet its long term ambitions could impact on its ability to invest and therefore its ability to be competitive in the new world of higher education funding. An uncompetitive University would eventually decline and be unable to work with businesses or to provide the quality of offer that it currently does. It is therefore incumbent upon the Council to seek to find ways and means by which we can help support the University to meet its aspirations.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

39. As outlined above, more detailed consideration is going to be given to the matters raised in terms of the future University developments. Any commitments from the Council would need to be fully understood and assessed.
40. The costs of the traffic surveys related to the partial closure of Southfield Road are already covered within service budgets. However, if more detailed modelling is required then there will be a need to cover these costs from Corporate Initiatives (detail costs yet to be determined), although Teesside University will be asked to contribute. With regard to the costs of a detailed business plan for future parking any costs will also need to be covered by Corporate Initiatives (costs – yet to be determined).

RECOMMENDATIONS

41. It is recommended that the Executive notes the progress being made in joint collaborations with Teesside University and endorses the principles of supporting the aspirations for the further development of Teesside University as outlined above. In particular that:

- a) further development work is undertaken to look at the potential of the closure of up to a 100 metre length of Southfield Road opposite the Library and Student Union Building and that this is then subject to consultation with the local community and businesses. The findings of this work and consultation would then be reported back to Executive later this year;
- b) support be given for the exploration of the potential of a new multi storey car park being provided jointly by the University and the Council to serve the needs of the campus and the businesses on Linthorpe Road and that this is also reported back to the Executive later in the year.

REASONS

- 42. The recommendations are made on the basis that the Council is seeking to look at ways to work with the University for the benefit of the town overall.

BACKGROUND PAPERS

- 43. No background papers were used in the preparation of this report.

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