

Report of:	Richard Horniman, Director of Regeneration and Culture Cllr Ashley Waters, Executive Member for Regeneration.
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Submitted to:	Executive – 24 November 2020
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Subject:	Middlesbrough Town Centre Strategy
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Summary

Proposed decision(s)
<p>It is recommended that Executive approves:</p> <ul style="list-style-type: none"> a) the development of a new Town Centre Strategy for Middlesbrough, which acknowledges the impacts of Covid-19 and provides a new framework for the comprehensive transformation of the function and uses of the Town Centre; and, b) the principle of the strategic alignment of any external funding opportunities which may be forthcoming (Towns Fund and Future High Street Fund) to aid the delivery of the objectives of a revised Town Centre Strategy.

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Decision	Yes	N/A	Non urgent

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
The transformation of the Town Centre will bring a range of new skills and employment opportunities which will service the residents of Middlesbrough. Concentrated activity in central locations will boost the economy and promote civic pride and inclusion.	The town centre will be given a new lease of life with investment in urban communities, commercial areas, civic functions and cultural diversification. All of this will be underpinned by a re-greening of urban areas and making space for wellbeing.	A comprehensive proposal for the town centre will provide confidence in winning investment and creating jobs in our local economy. This will provide a post-covid environment for businesses to thrive and lead the way in creating positive perceptions of our town on a national basis.

¹ Remove for non-Executive reports

Ward(s) affected

Projects undertaken by within the Town Centre strategy have impacts across Middlesbrough but interventions will be focussed on the Central Ward.

What is the purpose of this report?

1. To seek Executive approval for:
 - a) the development of a new Town Centre Strategy; and,
 - b) the principle of strategic alignment of external funding opportunities to aid the delivery of the Town Centre Strategy.

Why does this report require a Member decision?

2. The Town Centre Strategy has implications which affect two or more wards.

Report Background

3. Prior to Covid-19 Middlesbrough's Town Centre was characterised as being retail-dominant, as is the case with many other town centres. Years of outward-migration of traditional town centre functions such as professional services, commercial offices, residential areas, as well as the rise of our of town shopping and online sales, has created a fundamental imbalance in town centre economies.
4. Middlesbrough had adopted a sound approach which focused on increasing the proportion of complementary sectors to sustain a declining retail identity and diversify uses. However, Covid-19 has amplified and accelerated the issues which have contributed to high street decline. This calls for an expansion of the scale, scope and speed at which transformation is required, to deliver a thriving local economy. It is time to fundamentally rethink the function of town centres and enable a rapid transformation.
5. The groundwork has been laid for the future of Middlesbrough Town Centre, with compelling bids to the Future High Street Fund (FHSF) and the Towns Fund. These proposals have been shaped on diversification with a greater emphasis on leisure, culture and residential uses in the urban core. But we can go further. By aligning a broader range of civic, educational, employment, leisure and residential uses, alongside a retail base, we can deliver a critical mass of mutually-sustaining activity which will provide a focal point to drive growth.
6. Covid-19 has delivered a huge economic shock to the businesses and residents of Middlesbrough. It has touched upon every aspect of our lives and has forced us to adapt the way we live and how we continue to trade, travel, meet and communicate; aspects which we have, typically, taken for granted.
7. The challenges faced by retailers and the high street environment, are not new, but Covid-19 has amplified and accelerated the decline of traditional town centre formats; bringing forward a major structural shift, by as much as five years.

8. It is more critical than ever that we take bold, decisive and meaningful action to save our town centre, bringing it back into the heart of the community and completely redefining its function and uses, for the future.
9. Retail will always form a component of the town centre experience, but we need to draw more complementary uses and amenities into the town centre, to make it a thriving hub of activity; creating a new urban community.
10. To achieve this, Middlesbrough's approach will be to build a new economy based on multiple, diverse uses which will drive business, employment, living and leisure into central Middlesbrough. This policy will deliver mutually-sustaining zones and clusters of activity which will create critical mass and give a new purpose to our economy. This will include:
 - Living: building residential communities in central Middlesbrough
 - Skills and Learning: integrating our educational services and institutions
 - Working: Bringing employment and commercial uses to the centre
 - Health & Wellbeing: providing the facilities and amenities to improve quality of life
 - Civic: bringing together public services in central areas
 - Culture and Leisure: Providing entertainment and spaces for people to enjoy
 - Retail: Maintaining a strong retail component in the high street
11. Cross Cutting Themes – the diversification of the town centre will be underpinned by the cross cutting objectives of:
 - Transport – delivering excellent transport and connectivity
 - Digital – digitising our town centre and building The Digital City
 - Environment – providing green spaces and public places which promote activity and wellbeing
 - Welcoming to all – families, children, people with dementia etc. should feel safe and welcome
12. Middlesbrough will not sit idly by and wait for these things to come. We will enshrine our goals in our policies and actively pursue these sectors, encouraging them to develop and thrive in central Middlesbrough; building strength and resilience in the NEW town centre economy.
13. The new Town Centre Strategy has broader ambitions and provides a framework for delivery which will give businesses and investors certainty. The approach capitalises on a footfall base of those services which are less sensitive to market shocks (public sector) and build a healthier mix of uses which feed into one another.
14. By targeting investment to central areas, the aim is not to diminish the role and significance of district centres. Indeed, the approach will provide economic growth opportunities for all areas as employment, business, commercial, residential and talent is increasingly drawn into the wider Middlesbrough ecosystem.

What decision(s) are being asked for?

15. It is recommended that Executive approves:
 - a) the development of a new Town Centre Strategy for Middlesbrough, which acknowledges the impacts of Covid-19 and provides a new framework for the comprehensive transformation of the function and uses of the Town Centre; and,

- b) the principle of the strategic alignment of any external funding opportunities which may be forthcoming (Towns Fund and Future High Street Fund) to aid the delivery of the objectives of a revised Town Centre Strategy.

Why is this being recommended?

- 16. The trend of decline in traditional town centre models is irreversible and accelerating. A programme to transform central Middlesbrough into a multifunctional economic hub provides the greatest propensity for driving economic growth and recovery; delivering greater opportunities for the residents of Middlesbrough.
- 17. A single, cohesive framework, provides certainty to invest and articulates an ambition which is deliverable and where each component is mutually-supportive. It lays the foundations for new communities and central amenities which will inspire our population and significantly improve the perceptions of the town.
- 18. The approach accords with the Mayoral set out in the Strategic Plan 2020-23, which includes:
 - a) tackling crime and anti-social behaviour head on;
 - b) ensuring our town is an absolute leader on environmental issues;
 - c) transforming our town centre with new buildings that inspire awe;
 - d) building more town centre homes – and protecting our green spaces;
 - e) making Middlesbrough look and feel amazing;
 - f) winning investment and creating jobs; and,
 - g) creating positive perceptions of our town on a national basis.

Other potential decisions and why these have not been recommended

- 19. In transforming the economic potential of central Middlesbrough, the following options have been considered:
- 20. **Do nothing** – By not acting, Middlesbrough would oversee an inevitable erosion of the retail sector in central Middlesbrough. Through a policy of managed decline, the Town Centre would slowly hollow out, losing employment and investment opportunities.
- 21. **Deliver a Town Centre Strategy which focuses on single sector uses** – Covid-19 has exacerbated the need for diversification and the range of services which are required to deliver sustainable change. Whilst adapting to single sector such as housing or leisure would have some impact in reversing decline, it would not have the same scale, or sustainability of impact, which would come from a multifunctional approach.

Impact(s) of recommended decision(s)

Legal

- 22. Each component of the Town Centre Strategy will be assessed for legal implications on a project by project level. This report sets out the overarching principles of targeted investment in central Middlesbrough.

Financial

23. The Town Centre Strategy does not seek Capital Contributions at this stage. Funding to enable the transformation has been sought from the Future High Street Fund (£20.5m) and the Towns Fund (£25m); both decisions pending.
24. Each component of delivery will undertake a business case assessment which will be presented to Executive, as and when required.

Policy Framework

25. The decision will not amend the Council's policy framework. The decision is aligned with the Mayor's vision and the Strategic plan 2020 – 2023.

Equality and Diversity

26. The Town Centre Strategy does not raise any impacts for those individuals or groups with protected characteristics. Each component of the Town Centre Strategy will undertake an Equality and Diversity screening assessment on a project by project basis.

Risk

27. The project themes delivered as part of the Town Centre Strategy will be governed through the corporate project management arrangements and closely monitored as a level 1 / full framework project.
28. Given Covid -19, Town Centre economies and the retail and food and beverage sector are particularly sensitive to economic shocks and the prevailing macro-economic conditions. Notwithstanding this, this Strategy aims to improve the Town Centre's overall resilience.

Actions to be taken to implement the decision(s)

29. To deliver the Town Centre Strategy the following actions will be required:
 - a) confirm resources to deliver agreed actions whether internal or external;
 - b) seek Executive member approval for any refinement in the jointly-developed priorities and actions following ongoing consultation with Town Centre stakeholders;
 - c) commence internal project management arrangements and complete appropriate project management documentation; and,
 - d) launch Town Centre Strategy.

Appendices

Appendix 1: Draft Town Centre Strategy

Background papers

None