



## **Regeneration & Culture Scrutiny Panel**

### **Final Report Middlesbrough Town Centre Company**

#### **Executive Summary**

The Regeneration and Culture Scrutiny Panel commenced an investigation into Middlesbrough Town Centre Company in June 2003 with a clear remit. The essence of which was to assess the added value the MTCC has brought to Middlesbrough and the value the Council derived from its investment.

The MTCC became operational in April 2000 as a non-profit making organisation with a remit to enhance the economic success and cultural diversity within the town. The Council makes a financial contribution to the staffing costs and has both managerial and political representation on the company's management board which influence the direction and activities of the company.

The Scrutiny Panel commenced its review of the company's effectiveness against its remit by receiving evidence from the Office, Retail and Leisure sectors. To ensure these areas were adequately addressed, the Panel established three specific Working Teams to gather information, which would provide the Panel with a range of perspectives on the value of the MTCC. The results of which clearly conveyed that numerous achievements had been recognised, the main ones being :-

- The MTCC has clearly been successful in negotiating various incentives which have contributed to successfully securing additional investment to the Town Centre.
- The MTCC has clearly encouraged forward thinking by engaging and assisting organisations to develop ideas.

- The MTCC is considered as approachable by companies and offers invaluable advice and assistance.
- That the MTCC has contributed to developing a collective approach between key organisations within the Town Centre, which is aiding to tackle anti social problems.
- It is evident that the MTCC was instrumental in developing the “Shopmobility” project, which has enhanced the accessibility to the town centre for those with mobility difficulties.
- The MTCC is actively involved in the major regeneration project, Middlehaven which will positively impact on the local environment.
- There is clear evidence that the MTCC has been successful in submitting bids, which have brought additional funding into the area.
- The MTCC was extremely influential in bringing a substantial employer, “Garlands” a call centre to Centre North East, improving the office sector within the town centre.

Additionally, the White Young Green Paper found that Middlesbrough is currently performing well as a strong sub regional shopping centre. From this and other evidence received, the Panel is clearly of the view that the MTCC has contributed positively to enhancing the profile of Middlesbrough across the retail and commercial sectors.

The Panel supports the structure of a semi-detached company to the Council, which it considers works well and ensures greater freedoms are available to the Company. The MTCC has a relatively small budget and team, however, through its influence and efforts it is clearly a catalyst for ideas, which have provoked change and brought rewards to Middlesbrough.

In conclusion, the Panel is impressed with the accolades they received from businesses regarding the MTCC and the company’s achievements to date. The Panel recognises the MTCC takes a modest approach regarding marketing its successes. The Panel considers the Council is fortunate to have a good relationship with the company and encourages this relationship to continue ensuring the company achieves its objectives, which can only benefit Middlesbrough and its communities.

## **1. PURPOSE OF THE REPORT**

- 1.1 To present the findings of the Regeneration and Culture Scrutiny Panel following an investigation into the Middlesbrough Town Centre Company (MTCC).
- 1.2 The review was carried out in the context of assessing the effectiveness of the MTCC, the implementation of the business plan and the return achieved against the Council's financial contribution towards the Company.

## **2. BACKGROUND**

- 2.1 MTCC is a non-profit making organisation that functions at arms length from the Council. It is led by a public / private sector board consisting of 13 Members, of which there are two Middlesbrough Council representatives (The Deputy Mayor and Chief Executive). The Council has the ability to influence but not dictate the company's stance on an issue.
- 2.2 The vision of the MTCC is to create economic success and cultural diversity by making Middlesbrough a vibrant and attractive location for retail, commercial and leisure investment.
- 2.3 Middlesbrough however has the highest ratio of joblessness in the Tees Valley amounting to almost 35% of the adult population (14,250 people), demonstrating that unemployment is over twice the national average. In addition there are high levels of both deprivation and crime that are also more than double the national average. It is clear that the energies directed towards inward investment, bringing economic growth and raising community aspirations need to be embraced. In this respect the MTCC was established with this objective in mind.
- 2.4 MTCC has been operational since April 2000 with an initial remit to develop: -
  - The physical form of the Town Centre
  - The quality of its environment
  - The rebuilding of its office environment
  - The expansion of the retail sector
  - To make a virtue of the University
  - The cultural potential of the University
- 2.5 To achieve this, MTCC had a 2002/03 revenue budget of £427,000.00, of which Middlesbrough Council provided £269,000.00, which covers the staffing costs of the Company.

## **3. AIM OF THE SCRUTINY**

3.1 The key aim of this Scrutiny investigation was to examine the MTCC, assess the progress to date and make appropriate recommendations on how the Council's regeneration activities may be improved.

#### **4. TERMS OF REFERENCE OF THE SCRUTINY**

4.1 The terms of reference of the Scrutiny basically revolved around the following key questions: -

- Does MTCC give the Council value for money?
- Is MTCC accountable for its funding?
- Are the Company's boundaries / scope appropriate?
- Is the interaction between MTCC and the Council effective?
- Are the links between MTCC & Council maximised?

#### **5. UNDERTAKING THE SCRUTINY**

5.1 The Scrutiny review focused upon three main economic factors, namely the leisure, retail and office sectors. These sectors will be dominant in explaining the Panels findings.

5.2 Small Working Teams were also formed to attain information from the manger of Captain Cook Square, the manager of Charles Clinkard and information on the availability of shopmobility within Middlesbrough Town Centre. The evidence received will be reviewed alongside the three areas noted above.

##### **Leisure**

5.3 The investigation into the leisure sector clearly revealed that the MTCC had been closely involved in the development of Middlesbrough, as a leisure and cultural venue. The Council has plans for a £15 million visual art gallery, which is to be complimented by a major redevelopment of Victoria Square.

5.4 The development of the Middlesbrough Leisure Park has added a new dimension to the Town Centre with the inclusion of a Town Centre multiplex cinema. Running parallel to this is the concept of leisure in entertainment and the move towards a 24-hour economy of which socialising in Town Centre bars will be a major factor. At present there are over 600 licensed premises in the borough, however a radical change in the licensing regime expected over

the next eighteen months is expected to transfer licensing responsibility for these to the local authority.

- 5.5 The Panel received evidence from Mr Andrews and Mr Hameed ( local businessman) who were very supportive to the MTCC and gave evidence to the Panel on the assistance they had received from the MTCC, influencing their actions.
- 5.6 The Panel became aware of the concerns expressed regarding a perceived over capacity of venues with Public Entertainment Licences. This over capacity with the desire to move towards a café culture in support of the 24-hour Town Centre brought with it the potential of slowly transforming the Town Centre with even more public houses and night-clubs. The Panel's recognition of problems associated with excessive and late night drinking meant it was apprehensive about any further expansion of licensed premises. Whilst recognising this is outside the remit of the MTCC the Panel considered the MTCC could raise these general concerns with the various agencies it was engaged with.
- 5.7 Individual safety and security was clearly an area of concern for members regarding the leisure culture. The Panel considered it would be beneficial if the Overview and Scrutiny Board could recommend that the Company could examine the following: -
- Improved CCTV coverage should be introduced for the Town Centre
  - The possibility of increasing the number of taxis available after 2.00 AM be investigated
  - The potential of a late night bus service be explored.

The Panel considers examination of these issues would make a significant contribution to enhancing individual and business security.

## **Retail**

- 5.8 Middlesbrough has a strong retail sector, but the Panel recognised that the MTCC could continue to broaden the appeal of Middlesbrough's shops and attract shoppers away from other destinations. One of MTCC's main tasks was to secure additional investment in the retail sector and expand the range of shops. MTCC uses various marketing information to target and encourage retailers who could potentially fill identified gaps. The Panel would encourage the MTCC to be proactive in developing this area of retail.
- 5.9 The Panel had wished to assess the involvement that MTCC has formed with the retail sector. As enquiries revealed that the company works closely with the larger shopping centres and multiple retailers.

Examples of recent developments undertaken in the retail sector, are as follows : -

- Hill Street Centre – With the engagement of MTCC considerable work has been done to improve the overall appearance of the centre. Additional improvements to the centre’s access points are also being considered
- The Dundas Mall – The Mall has been enhanced by the introduction of a major retailer.
- Captain Cook Square – This has provided a significant extension to the Town Centre and additional work is still planned.
- The Cleveland Centre – Whilst this has recently been sold to an Asset Management Company, the indications are this will bring with it further investment into the centre.

5.10 Furthermore, one Working Team spoke to the Manager of Captain Cook Square, from which it emerged that the MTCC serves as a catalyst for the ideas generated within the retail sector. The MTCC listen to the initial ideas and help draw the strands together and provide organisations with assistance for developing their ideas into practical projects and actions. The MTCC is considered a useful mechanism for encouraging forward thinking.

5.11 The MTCC have encouraged the shopping centres to work together for mutual benefit as they share similar problems, relating to such issues as car parking charges, beggars and shop lifters. A collective approach to tackle these issues has been formed and is proving effective. However, concern was expressed that the message emanating from the Town Hall that the begging problem in Middlesbrough has been solved is not reflective of reality and the Panel consider that there are benefits in the Council engaging with the MTCC on this issue as a link to the retail sector.

5.12 The MTCC is noted to receive financial contributions by direct request. However the Manager of Captain Cook Square believes that implementing a grading system would enhance the financial support attained. The Panel considers this is worthy of exploration at the Company’s board meetings.

5.13 Information was also attained by a Working Team from the Manager of Charles Clinkards regarding the good communication channels present between the MTCC and the retail sector. They clearly have the view that employees of MTCC are extremely committed to improving Middlesbrough Town Centre, which is why this organisation is successful in enhancing the Town Centre. The following items were noted by the Panel to be areas for the MTCC to consider:

- Adequate signage around the Town Centre

- The poor variety of café culture
- Actively market the quality and variety of shops in the town centre to a greater extent, to ensure awareness of local residents is enhanced.

### **The White Young Green Study**

- 5.14 White Young Green were commissioned in February 2003 by Middlesbrough Council to undertake a review of its planning policy. This was to ensure Council policy reflected the reality of the Town Centre. As part of the review, the company reported on the current well being of Town Centre retail.
- 5.15 The analysis of WYG was that the Town Centre is currently performing well as a strong sub regional shopping centre. However vacancy rates are higher than the national average and the perception of crime is serious in Middlesbrough.
- 5.16 WYG's conclusion contained a range of recommendations including the extension of shop frontage towards Captain Cook Square, and the most appropriate proportion of retail and non-retail shop use in parts of the town.
- 5.17 The representative of the retail sector expressed concern regarding the number of car parking spaces within the Town Centre and the road network, which were considered to have a negative impact on businesses in the Town Centre.
- 5.18 Additionally, the retail sector representative expressed concern regarding the promotion of the Christmas lights as it had the potential to greatly increase the footfall in the Town Centre.
- 5.19 The Panel considered that the MTCC should pursue these issues as they contribute towards making Middlesbrough a more vibrant and attractive shopping environment.

### **Shopmobility**

- 5.20 The Working Teams led by Councillor Ismail identified that Middlesbrough Shopmobility was a project outlined in the MTCC Business Plan for 2001/02. The project became operational in November 2001 to provide mobility aids. There are currently a thousand clients registered with approximately 50 additional clients registering on a monthly basis. The project has recently upgraded the equipment it utilises to meet the growing demand.
- 5.21 MTCC was instrumental in developing this project and continue to hold an active interest. The successful completion and continued development of the project is a major benefit to the Town Centre, as it significantly enhances

the level of accessibility to the Town Centre for residents with mobility problems.

### **Office Sector**

- 5.22 The office sector was found to have deteriorated within Middlesbrough due to: -
- The decline in office leases in the 1970s;
  - Better quality developments produced elsewhere;
  - Lack of secure car parking;
  - A number of office premises are owned by property specialists who have no interest in securing new tenants, which is inhibiting the redevelopment of the office sector.
- 5.23 MTCC is undertaking steps to regenerate the local economy. Discussions are being held with the owners and leases of all Middlesbrough's empty office blocks. A case for attaining 'gap funding' is being compiled, which should aid in the redevelopment of the empty office properties becoming financially viable.

### **Middlehaven**

- 5.24 The redevelopment of Middlehaven is the largest regeneration project that is in operation within the North East. There have been remarkable changes over recent years, which will in the future allow the site to be used for housing and office developments. The plans propose 1400 new homes, 46,000 square metres of office space and approximately 2000 new jobs. The latter will be encouraged by introducing the second generation of Virtual Reality Hemispherum on Middlehaven, which will be a magnet for conferences. However, details will be confirmed following the completion of a master plan for Middlehaven by the relevant organisations.
- 5.25 The initial involvement of Middlesbrough Council, English Partnerships, One North East and the MTCC has enabled the above to develop.
- 5.26 Mr Leigh of Marchday Property Ltd noted that the Middlehaven development was the most important in the Tees Valley and he considered the partnership approach to be the key to the projects success.
- 5.27 The Panel is however concerned that the remit of the MTCC does not at the current time extend to formally include the Middlehaven site. This is perceived to be a potential problem via the MTCC, which the Panel strongly agrees with.



## 6. FINDINGS

- 6.1 The Scrutiny Panel was encouraged that all of the organisations and their representatives could only convey praise to the Panel regarding the efforts of the MTCC. The Panel became confident that the MTCC had made a substantial contribution to marketing and attracting businesses to Middlesbrough.
- 6.2 The Panel recognised that the split between the Council and the MTCC, although of a semi-detached nature, had also demonstrated benefits in the speed of response to existing and potential businesses. This model was complimented by organisations providing evidence.
- 6.3 The Panel was advised that the present arrangements allow the MTCC to bid and access funds from outside the area into Middlesbrough, which organisations such as the local authority would not have been able to access.
- 6.4 The Panel became increasingly aware that the MTCC had raised the profile of Middlesbrough in the eyes of the retail and commercial sectors. The Panel clearly considered this to be a major factor in attracting businesses, employment and ensuring the future of the Town Centre as a progressive Town.
- 6.5 The Panel received information regarding the 24-hour culture. From this the Panel deduced that there were a number of factors to be considered before the Council embraces this philosophy. Certainly the Panel did not receive any information which convinced them that Middlesbrough's ready for a 24-hour culture at the present time. The Panel considers further examination in this area is required before Council opinion is established.
- 6.6 The leisure sector representatives conceive underage drinking and the problems associated with excess drinking to be the main difficulties facing the renaissance of the Town Centres evening economy. One suggestion for resolving this matter is a more robust approach to law enforcement on the premises found to be selling alcohol to underage persons.
- 6.7 A good working relationship has formed between MTCC and Middlesbrough Council. The Council was the primary instigator for establishing the Company, as it was and is still perceived to hold the ability to drive forward a co-ordinated programme for regenerating the Town Centre. The MTCC did however note that their only concern with the Council was in connection with the Environment & Neighbourhood Services Department. The Panel was advised of incidents where the agreed ways forward had not been actioned by the Environmental & Neighbourhood Services Department. The MTCC had to consult with senior officers to resolve this matter. This can cause difficulties in delaying a response to prospective investors especially when one of the strengths of the MTCC is the speed in which they respond to questions/concerns.

- 6.8 The MTCC has added considerable value to regenerating the Town Centre. MTCC is found to be very approachable and offer invaluable advice to companies for developing their businesses within the borough. The semi-detached arrangement of the MTCC to Middlesbrough Council has enabled this quality to emerge, along with a single focused vision.
- 6.9 The level of communication between the MTCC and the actual residents of Middlesbrough is considered to be limited. This has resulted in the public failing to hold a comprehensive understanding of what is the MTCC, how it deviates from the Council, and what the vision of MTCC is. Whilst the Panel recognises that the company does engage with Community Councils, the Panel considers there are substantial benefits for the MTCC if greater emphasis is placed on public engagement especially with residents.
- 6.10 The Panel recognised the concern raised regarding the volume of crime in Middlesbrough and the considered low level of CCTV covering service and leisure premises. This was brought to the fore on a few occasions and whilst not directly within the remit of the MTCC the Panel considers the company could provide a valuable information conduit to the Council who are encouraged to review their coverage to reflect the concerns of business.
- 6.11 Concern was raised when addressing the leisure aspect of Middlesbrough and the availability of public transport in the late hours. Should Middlesbrough be moving towards the 24-hour culture then the public transport facilities need to be available. Apparently the view is that there are few taxis available after 2.00 am. The Panel considered it would be prudent for the MTCC to use its influence with the Bus Companies for consideration of night buses and also to assess the level of taxi provision to support the town during the very late and early hours. In pursuing this course the Panel considers the Council should engage with the Bus Company on the issues of improved security.
- 6.12 The Panel was very impressed with the success of the MTCC to date and recognised the company had delivered the aims it had been set. The Panel considers that the MTCC has demonstrated a focused approach to the tasks set, which provided a confidence to the Panel.
- 6.13 The Panel was interested in the benefits and/or disadvantages of having a Town Centre Company, as opposed to a service being directly provided by the Council. The evidence received was substantial and convinced that the semi-detached nature of the MTCC was more responsive and flexible than the Council and consequently would react to the needs of businesses without the limitations of bureaucracy. It was noted that for the operation of the MTCC to be effective it requires a good relationship with the Council and in the main this was the case. However, concern was expressed that the Environment & Neighbourhood Services Department was not as responsive as other departments and this had challenged the efforts of the MTCC, especially when it actively sought to attract new businesses to the Town Centre.

- 6.14 One aspect in which both the Council and the MTCC need to improve is communication. Examples of street trading were presented to illustrate the conflict between actions of the Council and the efforts of the MTCC. The Panel is clear that the officers of the Council who deal with street licensing, changes of Town Centre design and change of use for shop occupancy must liaise with the MTCC. This is to ensure the decisions and actions do not inhibit the overall vitality of the Town Centre.
- 6.15 The level of feedback from the MTCC to elected Members was considered low. The Panel was clear that improved accountability should be achieved. The Panel believes that formal feedback should be provided to the Council on a regular basis to ensure that the partnership is aware of the company's actions.
- 6.16 The Town Centre has gone through substantial changes recently and the area considered to be the Town Centre and therefore the area for the MTCC to focus on may well have changed. The Panel believes that the Council should recommend that the Company should re-examine the boundaries stipulated as the Town Centre and therefore its area of operation and provide a report to the board regarding this. The Panel recognises that this is a continually changing environment. However to ensure the energies of the MTCC are focused correctly, the parameters of the Company may need to be reviewed periodically.
- 6.17 The Panel noted that, MTCC could only attempt to influence improvements to the Railway Station, as the Strategic Rail Authority owns the property.

## **7. RECOMMENDATIONS**

- 7.1 Based on the agreed remit, the Regeneration and Culture Scrutiny Panel recommends: -
- a) That the Council's financial contribution to the MTCC demonstrates good value for money from the evidence received from representatives of the Retail, Leisure and Office sectors, and that this financial support should continue. These achievements are supported by the White Green Young report, which identifies that Middlesbrough is currently performing well as a strong regional shopping centre.
  - b) That a system be established to provide the Council with regular formal feedback regarding the actions, achievements and expenditure of the MTCC on a regular basis as a financial contributor to the company.
  - c) That the Council request MTCC to review its current boundaries and remit after two years of operation to take account of :-
    - Incorporating the Middlehaven Development

- The need for an integrated Public Transport Network
- Improving the Town Centre road infrastructure
- Exploring the option of the MTCC being a means of marketing land availability within the Town Centre
- Ensuring greater liaison with Town Centre residents

d) That the Council request the MTCC to consider :-

- Encouraging specialist shops to locate within the Town Centre
- Engaging with the Council on the adequacy of car parking within Middlesbrough
- Being further engaged with the promotion of Christmas lights as a means of further attracting shoppers to Middlesbrough
- Further encouragement of retailers in making floral contributions in the Town Centre
- Engaging with the Council on assessing the level of CCTV coverage with an emphasis on the Leisure industry
- Endeavouring to influence the Zetland car park in improving security and marketing
- Contacting the Strategic Rail Authority and endeavour to influence improvements in the Station's appearance

## **8. CONCLUSION**

8.1 The Panel embarked on this Scrutiny to assess the Town Centre Company, primarily focusing on the five elements of its remit. These were selected as a basis to determine its value in relation to the Council's investment.

8.2 The investment can be measured in a variety of ways, and the judgement on the Council achieving a level of return is considered a limited measure. Whilst the fruits of such efforts are not generally quickly apparent, a key factor is the value of the MTCC to the business community and the success it has achieved in securing business and therefore employment in the Town Centre. In this respect the evidence received by the Panel regarding the MTCC was exceedingly complimentary. The Company and Business has demonstrated that their relationship is positive and the Company's influence has been influential in securing new business to Middlesbrough.

- 8.3 The area identified for examination with regard to the partnership with the Council is mixed. Essentially, the issue of relationships, involvement and action with certain departments is considered good. However, there are elements involving communication and response, in particular areas of the Council that require improvement.
- 8.4 In conclusion, the Scrutiny Panel considers the Town Centre Company to be operating well and that its continued operation should be encouraged.

## **9. ACKNOWLEDGEMENTS**

- 9.1 The Panel is grateful the following people for providing written and verbal evidence during the course of this review :-

Mr L Southerton	Middlesbrough Town Centre Company
Mr Andrews	Local Businessman
Mr Hameed	Local Businessman
Mr Floyd	Manager , House of Fraser Middlesbrough
Mr D Leigh	Marchday Properties Ltd
Mr S Atkinson	Manager, Charles Clinkard
Ms L Stainsby	Manager, Captain Cook Square.
Mr D Harding	Shopmobility Development Manager

### **COUNCILLOR JAVED ISMAIL CHAIR OF REGENERATION & CULTURE SCRUTINY PANEL**

#### **Panel Membership**

Councillors - Biswas, Bloundele, Booth, Gill, McPartland, Sanderson and Williams

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#### **BACKGROUND PAPERS**

The following Background Papers were consulted or referred to in the preparation of this report: -

Middlesbrough Town Centre Company Business Plan 2002/2003 and Performance Review.

Middlesbrough Town Centre Company The Renaissance begins.

Middlesbrough Town Centre Website – [www.mtcc-regeneration.co.uk](http://www.mtcc-regeneration.co.uk)

Tees Valley Vision – Strategic Framework (5/2003 Consultation)