

MIDDLESBROUGH COUNCIL

OVERVIEW AND SCRUTINY BOARD

AGENDA ITEM 10

13 OCTOBER 2015

<p>FINAL REPORT OF THE ECONOMIC REGENERATION AND TRANSPORT SCRUTINY PANEL - MIDDLEHAVEN REGENERATION</p>

PURPOSE OF THE REPORT

1. To present the interim findings of the Economic Regeneration and Transport Scrutiny Panel in respect of its examination of the topic of Middlehaven.

BACKGROUND

2. Middlehaven, and its important dock, gave birth to the success of Middlesbrough today. The area became the historic heart of the town and driving force of a strong local industry before being subject to decline as traditional heavy industries died out.
3. In the present day, Middlehaven is still an integral and dynamic part of Middlesbrough's town centre, set on the Tees riverfront. Its location, just north of the A66 trunk road and adjacent to the Darlington to Saltburn railway line, means it is well connected to the road and rail network and is easily accessible on foot. The redevelopment of the area offers an excellent opportunity to attract inward investment by developing new homes, office space, business uses and leisure facilities.
4. Over the past 10-15 years, Middlehaven has been the focus of intensive regeneration activities by the public sector, including Middlesbrough Council and The Homes and Community Agency (HCA), formerly English Partnerships.
5. The Economic Regeneration and Transport Scrutiny Panel sought to examine progress that has been made to date in terms of Middlehaven's regeneration, together with future plans.
6. This report sets out the scrutiny panel's findings.

TERMS OF REFERENCE

7. The scrutiny panel agreed the following terms of reference as the basis of its investigations:
 - a) To examine current proposals for the Middlehaven site, including progress made to date; the current Master Plan; the proposed mix of commercial and residential development and correlation with the Local Plan.

- b) To investigate how schemes at Middlehaven have been/will be financed, including any funding requirements from Middlesbrough Council.
- c) To consider the updated position in respect of access to the area, including public transport links.
- d) To examine how buildings and features of historical importance are being incorporated into current and future developments.
- e) To hear from key external stakeholders in respect of their aspirations and proposals for the development of Middlehaven.

METHODS OF INVESTIGATION

- 8. The scrutiny panel investigated this topic over the course of meetings held between December 2014 and September 2015. Members of the scrutiny panel also visited Middlehaven to view progress to date. A Scrutiny Support Officer from Legal and Democratic Services co-ordinated and arranged the submission of written and oral evidence and arranged witnesses for the investigation. Meetings administration, including preparation of agenda and minutes, was undertaken by a Governance Officer from Legal and Democratic Services.
- 9. A record of discussions at panel meetings, including agenda, minutes and reports, is available from the Council's Egenda committee management system, which can be accessed via the Council's website at www.middlesbrough.gov.uk.
- 10. This report has been compiled on the basis of information submitted to the scrutiny panel by Council Officers and relevant outside bodies/organisations.

MEMBERSHIP OF THE SCRUTINY PANEL

- 11. This scrutiny investigation overlapped two municipal years, with the scrutiny panel's membership changing in May 2015 following the full Council elections. The membership of the scrutiny panel was as follows:

2014-15 Municipal Year:

Councillors P Sharrocks (Chair), BE Taylor (Vice-Chair), R Arundale, R Brady, JG Cole, P Khan, R Lowes, M Thompson and BM Williams.

2015-16 Municipal Year:

Councillors N Hussain (Chair), J Blyth (Vice-Chair), R Arundale, S Biswas, JG Cole, T Lawton, P Purvis, M Saunders and A Shan.

COUNCILLOR MAELOR WILLIAMS

- 12. The Economic Regeneration and Transport Scrutiny Panel wishes to acknowledge the contribution of Councillor Maelor Williams to its work. Councillor Williams, who was a long standing Member of Middlesbrough Council, a former Chair of the scrutiny panel and a keen advocate of the scrutiny process, sadly passed away in March 2015 during the course of this investigation.

THE SCRUTINY PANEL'S FINDINGS

13. The scrutiny panel's findings are set out below in respect of each of the agreed terms of reference.

TERM OF REFERENCE: “To examine current proposals for the Middlehaven site, including progress made to date; the current Master Plan; the proposed mix of commercial and residential development and correlation with the Local Plan.”

14. In addressing the above term of reference, information was submitted regarding:

- Progress to date
- Master planning history and current master plan
- Planning policy context
- Other relevant strategies

Progress to date

15. As part of its investigation, the scrutiny panel toured the Middlehaven site to view progress made and sites/areas for possible future development. As has been indicated earlier in this report, over the past 10-15 years, Middlehaven has been the focus of intensive regeneration activities by the public sector, including Middlesbrough Council and The Homes and Community Agency (HCA, formerly English Partnerships). The area has attracted over £150m of investment with a further £62m committed. Key achievements to date include:

- a) The Riverside Stadium, the home of Middlesbrough Football Club, has been in Middlehaven since 1995. The stadium has become one of Middlesbrough's most famous landmarks.
- b) Providing a single new state-of-the-art building for Middlesbrough College (£70m) and a Sixth Form building, MC6 (£6.5m).
- c) The building of Manhattan Gate (£20m) and the renovation of the Cleveland Club (£1m) to provide prestigious offices.
- d) The installation of the Anish Kapoor sculpture Temenos (£2.7m), as a centre piece to works to upgrade the public realm.
- e) The building of Boho One (£12m) and Bohouses (£2.8m), a hub for digital enterprises.
- f) Relocating Middlesbrough's Police Headquarters.
- g) Creating the Stages Academy - this provides an opportunity for homeless people to gain skills and confidence to move on with their lives (£5.7m).
- h) The renovation of the Customs House into the Myplace, state-of-the-art, youth facility (£4.3m).
- i) Building of the CIAC (Community in a Cube) - a new standard in environmentally-friendly apartment living (£11.5m).
- j) The provision of The Gateway neurological rehabilitation centre by Keiro Ltd and Erimus Housing (£8m).

- k) Development of the Hudson Quay office complex, which houses the Fabrick Housing Group and The Brasserie restaurant.
16. In addition to the above, information was submitted in respect of more recent/ongoing developments at Middlehaven. The scrutiny panel was advised that following initial consultations, a site had been identified and discussions are ongoing with a developer in respect of a potential snow dome/ski centre. Indications at early September 2015 are that a planning application will be submitted in the near future. At the time of the scrutiny panel's early investigations, the land concerned was owned by the Homes and Communities Agency (HCA), although there are proposals to transfer some additional land to Middlesbrough Council.
17. Sainsbury's had obtained planning permission for a new-build superstore near the Riverside Stadium on a leased site. That permission was subsequently amended to split the development into two smaller units. However, in August 2015, and although the supermarket development was almost complete, Sainsbury's confirmed that the company would not be opening the store and had withdrawn from the development. As a result, at August 2015, the developer (Terrace Hill Group) is in the process of finding another retailer, or retailers, to occupy the site. The Council is working with the developer.
18. The scrutiny panel was advised that the Council has already assisted in the planning process by approving the sub-division of the large retail unit into three smaller units. However, there is concern that any further sub-division could have a possible detrimental impact on the town centre retail offer.
19. In terms of finding occupiers for the retail units, officers highlighted that the site is in an attractive, prominent position adjacent to the A66 trunk road. The public house, Costa Coffee and KFC Drive Through incorporated into the Terrace Hill development are on schedule to open shortly and will have a positive effect in promoting further development.
20. The scrutiny panel was also informed that the creation of a new Urban Park on Cleveland Street, which will greatly enhance the setting of the Transporter Bridge. This scheme involves the construction of a high-quality urban park and the reclamation of a former gasworks on adjacent sites. The two sites are located in a predominantly derelict area. When completed, the urban park will measure approximately 1 hectare in area.
21. In addition, two Urban Pioneers self-build sites will have frontage onto the new park and will be a catalyst for further development. The Urban Pioneers project is a key element in the delivery of the Middlehaven Development Framework. This innovative project takes a bottom-up approach to the regeneration of Middlehaven, which lies in the ability to attract a group of people interested in creating spaces and accommodation primarily for their own use. In addition to residential development, it is also envisaged that the project could encompass small office buildings and ground floor retail units.
22. The attraction of Middlehaven to the Urban Pioneers will be a 'can do' approach with opportunities and conditions that are not available anywhere else in the region. Urban Pioneers will benefit from being in an excellent central location - close to the river and key transport links - and may benefit from financial incentives and support.

23. Reference was also made to Middlesbrough College's STEM Centre, which is scheduled to open in September 2015. This is being developed as part of a £20m investment programme by the college. The centre will provide specialised training in science, technology, engineering and maths, including experience of a real working environment.
24. The scrutiny panel queried the position concerning the disused large crane on the river and the former Tuxedo Royale floating nightclub that is moored nearby. Both are located near to the Riverside Stadium. It was advised that the crane is owned by Able UK, which also owns the quay where the ship is moored. Members commented on the condition of the crane and the ship and queried whether steps could be taken to secure improvements. Reference was also made to the possibility of the disused ship causing environmental contamination.
25. The position in respect of the nightclub vessel was subsequently clarified. Members questioned the position concerning ownership of the vessel and also queried whether there could be possible environmental contamination issues. The current position is that the Council is working closely with the Environment Agency, which is of the view that the vessel currently presents no immediate danger or concern to the local environment. Further work is possible on this matter.
26. In terms of ownership, it has been confirmed that the vessel is officially ownerless. Following the previous owner going into receivership, a receiver was appointed. However, the receiver deemed that the ship was a liability rather than an asset and successfully applied to not have the vessel associated to them. In such circumstances, the vessel would normally have reverted to the State - but the Treasury Solicitor also successfully applied to disclaim any interest in it, claiming the vessel was of no value, was subject to existing and potential liabilities and would not be cost-effective to dispose of. As a result, the vessel was declared "bona vacantia" - ie without owner. This means that there is no owner that can be pursued for action.
27. The scrutiny panel also queried the position concerning the car parts business (scrap yard) that is located at Middlehaven. It was explained that as part of the land assembly strategy and future development aspirations for Middlehaven, a number of private and commercial properties have been subject to a Compulsory Purchase Order (CPO) process. The vast majority of properties have been acquired through negotiation, compensation packages and support mechanisms. However, a handful of property owners challenged/objected to the process and have awaited a determination by the Secretary of State for Communities and Local Government.
28. Following a public inquiry, the Secretary of State confirmed the CPO on 2 September 2015 and work will now progress to finalise Council acquisition of the remaining properties.
29. The car parts business, amongst others, will now be acquired, with affected businesses being either extinguished or relocated. As the Council must continue to act reasonably as the acquisitions progress, clearance of the sites is likely to take a minimum of one year.

Master Planning History

30. The scrutiny panel heard that, over the years, there have been various master plans either proposed or developed for Middlehaven. In 2004, Will Alsop created a master plan - 'The Greater Middlehaven Strategic Framework' - which set broad principles for development of the area in three phases.
31. Following completion of that master plan, the Phase 1 site (owned by the Homes and Communities Agency) was marketed for development. As a result, in 2005, Bio-Regional Quintain was identified as the preferred bidder for this site and developed its masterplan directly in line with the Alsop work. A Development Agreement was signed in November 2006 and Bio-Regional Quintain subsequently developed the residential 'Community in the Cube' (CIAC) building, which was completed in 2012. However, in late 2011, principally as a result of the downturn in the national economy, Bio-Regional Quintain decided to terminate the development agreement and the land reverted back to the Homes and Communities Agency.
32. In Phase 2 (known as the Central Industrial Area) of the above master plan and Phase 3 (St Hilda's) areas the public sector continued to acquire land, initially with the view to procuring development partners. To support this aim an outline planning permission for Phase 2 was secured by Tees Valley Unlimited in 2007. Procurement of a development partner was not commenced while general interest in the area remained low. Land assembly by agreement has, however, resulted in the majority of land in the Phase 2 and 3 areas being in public sector ownership.
33. In 2010 the partners decided to refresh the development framework for Phase 2 and Phase 3 areas to take account of changed economic circumstances and emerging potential development opportunities. Urban Initiatives was appointed to undertake this work. A draft framework was completed during summer 2011 and signed-off by the Middlehaven Partners. The framework was accompanied by a design code to guide development. In addition, following the departure of Bio-Regional Quintain, the Middlehaven Partners decided to extend the Development Framework into the Middlesbrough Dock area.
34. Most recently, in 2012, Urban Initiatives on behalf of the Middlehaven Partners (Middlesbrough Council and the Homes and Community Agency) produced an updated Middlehaven Development Framework. Its vision for Middlehaven was to become a lively mixed use extension to Middlesbrough town centre, a new residential neighbourhood and an attractive place for people to live, work and visit.
35. That document sets out:
 - An updated framework, together with a Middlehaven Vision.
 - A summary of opportunities and challenges.
 - A Spatial Concept, which outlines principal layout, main structuring elements and character areas.
 - A Framework Plan, providing key design principles for urban blocks, frontages, mix of uses, height and massing, transport and movement and open spaces.
 - A Delivery Strategy that establishes the approach to delivering the Middlehaven Development Framework including an action plan and phasing.

Planning policy context

36. The scrutiny panel heard that there is a planning framework in place that supports regeneration in Middlehaven. Both regional and local policy support the principle that the regeneration of Middlehaven is a fundamental objective for both Middlesbrough and the wider Tees Valley area.
37. At a regional level, the National Planning Policy Framework (NPPF) and the Regional Economic Strategy support major mixed use development at Middlehaven. At a local level, the development of Middlehaven forms a key part of the spatial vision for Middlesbrough. The Core Strategy that was adopted in February 2008 stated that: "Middlehaven has been identified as a priority for the Council and its partners. Successful regeneration of the area will be integral to the development of Middlesbrough as part of the heart of a successful Tees Valley City Region."
38. The regeneration of Middlehaven is not only critical in itself but will also help the Council achieve a number of its other key objectives as set out in the Core Strategy, and including:
- Playing a part in reinforcing Middlesbrough town centre as the principal centre for the Tees Valley Region;
 - Contributing to reversing population decline through provision of an attractive living environment and employment opportunities;
 - Contributing to a more balanced housing stock; and
 - Supporting economic vitality and quality of life.
39. The Core Strategy included broad guidance for the area (for example in terms of uses, appropriate housing, renewable energy requirements etc), with the Regeneration DPD (adopted in February 2009) including more-detailed guidance on matters such as phasing and zones of proposed development for the area.
40. The intention has been that the strategic masterplan and planning framework would allow the Council to review its previous work in the light of changing economic conditions and a significantly altered planning and development context.
41. Part of the Middlehaven area was designated a Local Enterprise Zone by the Council. This is aimed at the expansion of the digital sector in Middlesbrough, building around the infrastructure established by DigitalCity Business. Businesses from the advanced engineering or digital sectors that have located in an Enterprise Zone since April 2012 have been able to access:
- 100% Business Rate relief for five years (up to a limit of £55,000 per year).
 - Simplified planning arrangements through a Planning Performance Agreement.
42. These incentives were due to end in 2015 but have now been extended to 2018. In addition, the Government has recently requested submissions for further enterprise zones. At September 2015, the process is ongoing with the Council working alongside Tees Valley Unlimited to submit a further bid or bids. Part of the new submission will impact on Middlehaven.

43. The scrutiny panel heard that, over recent years, it became clear that the original focus on housing for Middlehaven was no longer applicable or practical. As a result, an emphasis has now been placed on education and commercial developments and the number of possible residential properties has been scaled down.

44. In the above context, the Council is looking at employment, links with the town centre, open spaces, recreational use and education, with organisations such as Middlesbrough College and developers feeding into this strategy. The authority aims to be flexible to be able to react to changing markets. It was highlighted that any developments in Middlehaven will also need to comply with the relevant Design Code to ensure consistency with quality of design.

Other relevant strategies

45. The Council also prepared 'A Strategy for Public Open Space in Middlesbrough, 2007 - 2012'. This identified Middlehaven as a location for a new neighbourhood park and also set out distance thresholds for walking, cycling and driving to different types of open space facilities. These included allotments, amenity green spaces, play areas, grass pitches, parks and recreation grounds and tennis/multi-courts.

46. In addition, the Tees Valley Joint Strategic Unit prepared the Tees Valley Green Infrastructure Strategy. The strategy aims to develop a network of green corridors and green spaces by 2021 to achieve closer links between environmental improvements and major development projects proposed in the Tees Valley, including Middlehaven.

47. That strategy identifies the following existing designations that are relevant to Middlehaven:

- The River Tees as a strategic Wild Life Corridor;
- The Saltholme International Nature Reserve, on the opposite side of the River Tees;
- Special Protection Areas to the north of the river;
- The Teesdale Way, a long distance footpath along the river, which passes through the study area;
- Two Sustrans long-distance cycle routes that pass through the area.

48. The strategy also proposes to better-connect nature conservation sites and other features to the north of the River Tees with each other and the Transporter Bridge.

TERM OF REFERENCE: *"To investigate how schemes at Middlehaven have been/will be financed, including any funding requirements from Middlesbrough Council."*

49. The scrutiny panel heard from Council officers in respect of how Middlehaven developments have been funded and in respect of possible future developments.

50. As has been highlighted earlier in this report, Middlehaven has attracted over £150m of investment with a further £62m committed. It was explained that Middlehaven projects have been developed on a scheme by scheme and site by site basis. Most sources of funding have been external with much of this being channelled through the Local Enterprise Partnership (LEP), Tees Valley Unlimited.

51. It was clarified that the £62 million committed for further investment mainly relates to the Gateway development by Terrace Hill. This includes the retail shopping unit, public house, Costa Coffee and KFC Drive Through. The scrutiny panel also heard that under the terms of the planning permission, the developer has signed a Section 106 agreement. This commits Terrace Hill to providing the sum of £600,000 towards the cost of the proposed dock bridge. It is noted that payment of this sum will be triggered once the retail unit is occupied.

52. The Council's Capital Programme has also been used to fund some improvement works at Middlehaven, including development of the urban park

53. Other funding sources are being explored. As there are several historic and heritage buildings in the area, this will include Heritage Lottery Funding. Recent schemes, including renovation of the Transporter Bridge and the old Town Hall, have been funded from the Heritage Lottery Fund. It was also highlighted that if a Combined Authority is formed for the Tees Valley, this could result in further opportunities for external funding.

54. Reference was also made to the potential snow dome/ski centre development. It was confirmed that the Council has made no financial input to the proposal apart from officer time.

TERM OF REFERENCE: “*To consider the updated position in respect of access to the area, including public transport links.*”

55. Information was submitted regarding:

- Transport and pedestrian access to Middlehaven
- Update following previous scrutiny investigation

Transport and pedestrian access to Middlehaven

56. Although Middlehaven is in close proximity to Middlesbrough Town Centre, the area is surrounded by major transport features that act as barriers to access to and from the area. To the north, the area is defined by the River Tees, with the Transporter Bridge providing the only connection with the north bank, although the traffic capacity of the bridge is strictly limited.

57. To the south, the area is bounded both by the Darlington to Saltburn railway line and the elevated A66 dual carriageway primary route. While these are vital transport links, they separate Middlehaven from the town centre, both physically and perceptually. The area has often been perceived locally as a separate area of Middlesbrough, being referred to as ‘over the border.’

58. Middlesbrough Dock itself also presents a further movement barrier in the east of the Middlehaven area, with there being no vehicular bridge over the dock entrance (although construction of a vehicular bridge has been agreed) and a convoluted road link to the A66.

59. The main north-south vehicular link between the town centre and Middlehaven passes under the railway and A66 trunk road and is constrained in particular by the railway bridge (Albert Bridge) and its 4m height restriction.

60. To the west, the most direct link to the A66 is via links to the Hartington Interchange, but this route, and the link to the A66 in the east via Shepherdson Way, is not ideal in terms of links to the strategic road network.
61. Public realm works have improved some pedestrian links to Middlehaven, for example the north-south pedestrian link under both the railway and the A66 via Zetland Square. However, other routes are less attractive because of issues such as poor public realm quality and the use of underpasses/subways. While there are a number of other footpaths and cycleways in the area, including along the river and across open spaces, these have generally been poorly signed, not well linked and under-used.
62. The railway station connects fairly well with the area, although the station is not on a main line and therefore links further afield involve a change of train at another station, such as Darlington or York. In terms of other public transport, connections by bus to Middlehaven have been limited. This is due to a combination of the lack and poor quality of street connections through the area and the lack of development within it. However, improvements are planned, with further details shown in the following sections of this report.

Update following previous scrutiny investigation

63. As part of its 2012 work programme, the Economic Regeneration and Transport Scrutiny Panel examined the Transport Element of the Local Development Framework. Part of the scrutiny panel's work at that time related to transport access to Middlehaven. As a result, the scrutiny panel made the following recommendations in respect of Middlehaven:
- *That in respect of the transport infrastructure options for Middlehaven, the scrutiny panel's view is that, finance permitting, Option Three, to include a swing bridge, would be the preferred solution. Although Option Two may be the most deliverable option in the current financial climate, this should not preclude the development of a swing bridge in the future.*
 - *That issues concerning young people's transport access to MyPlace are addressed as a matter of urgency, particularly in the light of the earlier recommendation made by the Children and Learning Scrutiny Panel and approved by The Executive in June 2009.*
64. The Action Plan/Service Response that was submitted to, and approved by, The Council's Executive in October 2012 included the following in respect of the above recommendations:
- *The Infrastructure proposals for the revised Middlehaven Masterplan will take on board the Scrutiny Panel's recommendations. As part of the Masterplan development an investigation into the viability and affordability of a bridge over the dock will be considered. The options for appraisal will include a swing bridge option. However, this is expected to be more costly to build and maintain than a static bridge.*

- *Interim transport arrangements are in place up until March 2013. These are using mini buses run and paid for by the Youth Community Centres on a cluster basis. However when the centres close it is proposed to transfer the buses to MyPlace who will need to fund their operation. As yet no funding has been identified. The transport officers in Highways and Transportation will work with officers of MyPlace to try to reach a sustainable transport provision going forward.*

65. The scrutiny panel was informed of the updated position following the above recommendations, with the following points being highlighted.

66. *Transport to MyPlace* - From February 2015, public transport was provided to MyPlace on a trial basis, with buses running every 10 minutes on Tuesdays, Wednesdays and Thursdays until 8.45 p.m. A map was circulated for Members' information, which illustrated the bus route. It was noted that the buses went right up to the entrance to MyPlace, which was not previously the case. The service, which was funded from a Department for Transport grant and by Middlesbrough College, also served the college.

67. The scrutiny panel was subsequently informed that the above bus service had been discontinued after the trial period. This was because the operator had found that the route was not commercially viable.

68. *Swing bridge* - Construction of a £4.5m swing bridge, to replace the existing footbridge across the dock, was approved by the Council's Executive in September 2014. The scrutiny panel heard that, until 1996, a vehicular swing bridge had operated over the entrance channel to the Dock at Middlehaven. However following the closure of the dock and subsequent decline of industry in the vicinity, the then owners, Teesside Development Corporation (TDC), decided to decommission the bridge and replace it with the existing pedestrian bridge. This had isolated the eastern and northern areas of Middlehaven as there was no longer direct vehicular access.

69. The concept of a vehicular bridge over the dock entrance has since formed a key component of the revised Middlehaven Master Plan as a new crossing across the entrance of the dock is seen as critical to opening up land for development in the northern/eastern part of Middlehaven.

70. Such a bridge will transform not just the ease and directness of access into the Middlehaven area but will also help to form a gateway to Middlehaven from the east. Although the bridge will complete a permanent road transport loop around Middlehaven, it will also have value in much more than simple transport terms, considerably improving the image of the area and its attractiveness to potential investors.

71. A swing bridge would also ensure that shipping etc was able to enter the dock in future, which would not be possible with a fixed bridge. This would enable consideration to be given to use of the dock for a wider range of possibilities in the future.

72. The majority of the funding for the bridge has been secured from the Local Growth Fund by Tees Valley Unlimited. A further £600,000 has been secured from a Section 106 planning agreement relating to the retail development adjacent to the Riverside Stadium. In December 2014 the panel heard that work relating to a due diligence exercise in respect of the funding (undertaken by independent assessors via the Local Enterprise Partnership) was ongoing, with a decision anticipated in spring 2015. In the meantime, work had progressed in respect of the planning and design of the bridge.
73. The updated position is that funding issues relating to the bridge are still to be resolved. The cost of a swing bridge is now proving to be significantly higher than the estimates that were initially provided by an independent consultant. Various options are being explored to resolve the issue.
74. In terms of other transport links to Middlehaven, the scrutiny panel was advised that a Government Task Force has been examining the possibility of electrification of the railway line from Middlesbrough to Northallerton. Also, a direct rail link to London from Middlesbrough by 2020 has been included in the recently-awarded East Coast Rail Franchise.
75. With regard to possible station access improvements, Network Rail has confirmed, however, that is not intending to construct a footbridge over the railway at the back of the station. This would also have improved access to Middlehaven.

TERM OF REFERENCE: *“To examine how buildings and features of historical importance are being incorporated into current and future developments.”*

76. Information was submitted regarding the historical context of Middlehaven.
77. The scrutiny panel heard that, despite the widespread development that has taken place, Middlehaven still honours its heritage through the existence of the Transporter Bridge, Old Town Hall, Dock Clock Tower and Custom House (now the MyPlace youth facility). Every effort is being made to incorporate these attractive listed buildings into modern developments.
78. The former Custom House on Commercial Street, built in 1836, offered public exchange rooms for merchants and business men to meet, private offices and a hotel. After years of being boarded up, the building has been transformed into the MyPlace youth centre.
79. Opened in 1911, the Transporter Bridge is an iconic structure and widely visible landmark of Middlesbrough. It is the only working example of this type of bridge in the UK. The Council is currently upgrading facilities at the bridge, including installation of a glass lift to provide access to a viewing platform at the top of the bridge.
80. The listed Dock Clock Tower situated north of the Middlesbrough Dock dates from around 1870. The tower has been refurbished and its setting improved.

81. Other listed historic buildings and structures of interest include the closed historic Captain Cook pub, the former bank and later Cleveland Club on Cleveland Street and a former factory wall on Vulcan Street. Some of the historic buildings are now disused and in need of investment. Regeneration of the area offers an opportunity to improve these buildings, integrate them with new development and ensure that they contribute positively to the character of Middlehaven.

TERM OF REFERENCE: “To hear from key external stakeholders in respect of their aspirations and proposals for the development of Middlehaven.”

82. Information was submitted from:

- Peter Volans - Owner of The Brasserie at Hudson Quay.
- Zoe Lewis - Principal of Middlesbrough College.
- Boda Gallon - Keiro Group.

83. Peter Volans from The Brasserie at Hudson Quay outlined to the scrutiny panel why he had decided to set up a restaurant business in Middlehaven prior to many of the new developments taking place. The Panel was advised that the reasons for opening The Brasserie were twofold. He had received an immense amount of encouragement, guidance and support from Fabrick, which owns the premises where his restaurant is located.

84. Mr Volans further advised that he has ambitions to further develop in the Middlehaven area as he is of the view that the area will continue to grow and will become part of the new centre of town. Middlesbrough Council has carried out a lot of work to raise the profile of Middlehaven and Middlesbrough and as a result more people were investing in the town. Reference was also made to the potential snow dome development which, if it comes to fruition, would act as a major new draw to Middlehaven.

85. Work on Middlehaven overall has been positive and substantial and Middlesbrough College in particular is in the process of carrying out further development. The Brasserie has been a growing success to date and has established a good client base. The Middlehaven site is an ideal location for a quality restaurant as customers have easy access to a 147 space car park. Road links are excellent. The business has become a destination restaurant and is enjoying a relative amount of success. It is now into its second year of trading and is still experiencing growth.

86. The restaurant has worked closely with Middlesbrough College and anticipates continuing to do so in the future. In addition to full time staff, the Brasserie currently employs four apprentices from the college - two in the kitchen and two front of house. The young people are provided with experience of working in a professional kitchen and dealing with customers.

87. In addition, The Brasserie has held meetings with Middlesbrough College regarding the possibility of building a purpose-built four star training hotel at Middlehaven. This would be a unique facility that would permit students from the college to train locally in the hotel/hospitality industry. The plans were to run a three year hotel and catering course in conjunction with the college.

88. The concept would also be aimed at attracting students from other parts of the world. Local students currently have to move away from the area to attend such training facilities.
89. Research has indicated that the hotel would be commercially viable and the aspiration is to provide a four star service at three star costs by using student/trainee staff. It was suggested that if the Council was able to invest in the project, the authority could retain some ownership of the hotel and receive a steady revenue stream.
90. Mr Volans also referred to his view that investment should be made in Middlehaven's sea-faring heritage by maximising use/development of the quayside along the River Tees. It was suggested that the area could also be developed for watersports and recreation. Reference was also made to Mr Volans' involvement in tentative plans to install a seal and wildlife viewing platform on the river adjacent to Hudson Quay. This could further enhance the attraction of the Middlehaven site.
91. In response, the scrutiny panel was advised by officers that Middlesbrough College has expressed an interest in using the water space for recreation purposes. The college is also looking at the possibility of providing a training facility for under water welding. In the longer term, boats and tall ships could return to the dock and, as has been indicated in this report, the reason for installing a future swing bridge was to ensure that this could happen.
92. The panel also heard from Zoe Lewis, Principal of Middlesbrough College (MC), who advised that, by the end of the new financial year, Middlesbrough College will have invested in excess of £100m in the Middlehaven area. A document was circulated to the scrutiny panel that highlighted progress made to date and outlined the college's future plans. It was noted that Middlesbrough College is halfway through implementing a Ten Year Plan.
93. It was explained that the College's strategy, which is aimed at developing a regional rather than sub-regional facility, is to:
- Extend the student catchment area;
 - Extend the nature and scope of the college's work with employers; and
 - Extend the college's capacity to make a significant and sustained positive impact on the economic viability and mix of the town centre.
94. The Panel was advised that since September 2008, the number of full time students travelling into Middlesbrough from outside the town has doubled with more than 1500 students now travelling into the town centre daily from places such as Hartlepool, Durham, Stockton and Northallerton. College turnover has increased from £24m to £66m and there has been a 66% increase in student numbers.
95. The college has aimed to establish an integrated campus at Middlehaven and also improve the external environment, with work being undertaken with partners and potential investors/developers to achieve this. Courses are currently delivered in virtually every sector of employment.
96. It was highlighted that the number of apprentices has doubled in the last few years, with approximately 1000 apprentices studying at the current time. The forthcoming STEM centre will be used to enhance apprentice training provision through practical experience of a real work environment.

97. The college is also involved in:

- Extending opportunities in respect of engineering/construction/digital industries. A residential capability may be required to accommodate national and international students.
- Ensuring that Government spending reductions in respect of adult learners are offset as far as possible by continuing to increase student numbers.
- Ensuring that courses provided are designed and shaped by demand from employers and industry.
- Determining how higher level sports facilities can be provided - although further pitch provision would be contrary to the current Masterplan for Middlehaven.

98. Reference was also made to a number of planned/possible future developments by the college, as follows:

- A potential joint bid with Teesside University to develop a higher skills/digital centre at a cost of approximately £4m;
- The provision of additional sporting facilities - including water-based, astroturf pitch and sports hall;
- Investment in an Offshore Training Centre;
- Development of a Tees Mast Boat Museum ;
- Development of an academy for age 14-16.
- The erection of a steel sculpture, designed by a student, on the piazza area adjacent to the college.
- The possible location of an aeroplane fuselage adjacent to the STEM Centre. This would be used for aviation training.
- The development of an outdoor construction training space to enhance the existing building yard.
- Expansion of the use of college buildings as community facilities.
- The development of an underwater welding training facility in the adjacent river/dock.

99. It was indicated that the college had welcomed the opportunity to move to its new-build site at Middlehaven and that, to date, the move has proved to be a great success. In order to support continued development and growth, the College will require:

- Continued support from the local planning regime - it was highlighted that the College has received excellent support from the local authority's planners in the past;
- Support for expansion of sporting development in terms of ensuring availability of land;
- Improved pedestrian links to the town centre, in particular the Albert Road area and access to the leisure park adjacent to the town centre. Reference was made to the high number of students that walk to/from the college and the potential to develop facilities/business opportunities en-route;
- Improved public transport infrastructure, in particular bus stops. Over 12,000 students currently attend the college but there are no bus stops immediately outside. Improvements could also assist in increasing student numbers.

- Continued support to expand/ensure car parking availability in the vicinity of the college relative to each new development.

100. Other issues raised by Middlesbrough College during the discussion with the scrutiny panel were as follows:

- The college welcomes the opportunity to contribute to the work of the scrutiny panel. This will allow the opportunity for the organisation to explain its development plans to the Council and engage the authority in constructive dialogue.
- The organisation has excellent working relationships with Middlesbrough Football Club, Keiro, Digital City, the Thirteen Group and the Brasserie. The College is particularly excited about the possible snow dome development and contributed to the associated feasibility study.
- Due to other financial commitments, the college is not in a position at the present time to proceed with involvement in the possible training hotel proposed by the owners of the Brasserie.
- The improved access to Middlehaven that will be facilitated by the proposed swing bridge is welcomed. However the college would also support adoption of the road in front of its premises as this would improve transport arrangements.
- The college would prefer any future surrounding developments to be low rise in scale.

101. In addition to the above, in April 2015, Councillor Peter Sharrocks, Chair of the scrutiny panel in 2014-15, met with Boda Gallon, Chief Executive of the Keiro Group. Keiro operates the recently owned Gateway Neuro-rehabilitation facility in Middlehaven.

102. Mr Gallon explained that the organisation, which originally operated only on Tyneside, identified a need to provide a facility on Teesside to treat acquired brain injuries. Of possible sites identified in Middlesbrough by Tees Valley Regeneration (TVR), Mr Gallon had initially failed to be attracted to Middlehaven, due to a lack of development at that time. However, the location of the railway station was key and the development of Middlesbrough College and other plans for the area were instrumental in the decision to proceed with the Keiro project in Middlesbrough.

103. Negotiations concerning site acquisition had then involved TVR, One North East and the Homes and Communities Agency (HCA). Officers from Middlesbrough Council's Regeneration service were also involved and were praised for the assistance that they provided.

104. The view was expressed that development in Middlehaven is gathering momentum and that involved parties are now working together to make good and further progress. A local stakeholders group has also been established. The following points were suggested by Mr Gallon as ways in which further improvements could be made:

- To establish one local lead-body for Middlehaven to promote a collective approach.
- Further work to break down old perceptions about Middlehaven and promote the positive work that has taken place.
- Improved bus links are required, together with work on road links.

CONCLUSIONS

105. Having considered the submitted information, the Economic Regeneration and Transport Scrutiny Panel reached the following conclusions:

1. Good, if initially slow, progress has been made in developing Middlehaven over the last fifteen years. There are strong planning and policy frameworks in place to support development. Significant external funding, including both public and private investment, has been secured and further developments are in the pipeline. Major projects such as the Riverside Stadium, Middlesbrough College (including its recent Sixth Form and STEM Centre developments), Keiro's Gateway project and the Fabrick/Brasserie development, continue to be key in showing what can be achieved, to promote the area and to act as a catalyst for further investment. Recent, and possible future, developments illustrate a growing confidence in Middlehaven, although this is tempered by the present need to find occupiers for the Western Gateway retail units. However, the area's location, in close proximity to the town centre, with good road and rail links (that will be improved further when the new dock bridge is completed), offers an ideal location for a wide variety of uses, including residential, leisure and retail.
2. Middlesbrough Council is acting as the lead body in promoting Middlehaven and attracting external and private investment. The Council's role in developing Middlehaven is mainly one of a facilitator and co-ordinator, rather than a provider, particularly given the authority's current difficult financial circumstances. However, in order to continue to attract investment and development, the authority does need to ensure that the necessary infrastructure is in place, together with advice and assistance mechanisms. It is hoped that the extension of incentives (such as business rate relief and simplified planning arrangements) to 2018 for advanced engineering or digital businesses locating in the Middlesbrough Enterprise Zone (part of which encompasses Middlehaven) will continue to generate interest in the area. The ongoing preparation of a bid for further enterprise zone status may also impact positively on Middlehaven.
3. Historically, the Middlehaven area has been regarded as a separate area of Middlesbrough (being referred to locally as 'over the border') and an area that has often been looked down on. There may still be a general perception of industrial decline and large swathes of disused land. Until the scrutiny panel visited the site, some Members may even have shared that view. There is a need to highlight Middlehaven as a success story and promote its attributes and the progress that has been made. The scrutiny panel commends the partnership working, involving a number of public and private sector agencies and bodies, that continues to take place and that has produced such positive outcomes - there are now reasons to go to Middlehaven.
4. The scrutiny panel welcomes the faith and ambition that has been put in Middlehaven by local stakeholders and the continued support that has been provided by businesses and organisations that have located in the area. It is pleasing to hear from the local stakeholders that spoke to the scrutiny panel that they have valued the assistance provided to them by Middlesbrough Council. There is an opportunity to work further with local stakeholders to promote and develop the area. In this context, Middlesbrough College's Master Plan, which sets out its future vision for the area, is particularly welcomed. In addition, there may be opportunities to develop the River Tees for possible leisure/ business

opportunities in conjunction with organisations such as the College and The Brasserie. However, the scrutiny panel notes that there is limited public access to the river, which is an issue that would need to be resolved.

5. While a lot of major environmental improvement work has been undertaken, there is scope for further progress. The recent transfer of areas of land from the Homes and Communities Agency to Middlesbrough Council offers the opportunity for improvements through a more consistent/comprehensive approach to the maintenance of open spaces and public areas. The scrutiny panel does, however, have some concerns relating to some areas outside the control of Middlesbrough Council. These are the appearance/condition of the large disused crane and former floating nightclub that are both located on the River Tees near to the Riverside Stadium. Improvements in respect of these two issues would be welcomed but are dependent on action by relevant landowners/third parties. The position in respect of there being no legal owner of the former floating nightclub - and it therefore being difficult to secure the vessel's removal - is of great concern to the scrutiny panel.
6. The potential snowdome development represents a fantastic and exciting opportunity for Middlesbrough. Such a major project would be likely to kickstart further leisure and retail developments and promote Middlehaven as a regional and national destination. The position concerning the Council's ongoing dialogue with a potential developer is noted and the scrutiny panel awaits further developments with interest.
7. The position concerning whether a swing bridge or fixed bridge will be provided over Middlesbrough Dock is still to be resolved. The Economic Regeneration and Transport Scrutiny Panel has previously supported the development of a swing bridge as it would provide greater flexibility in terms of future use of the dock. While the position concerning the greater cost of a swing bridge versus a fixed bridge is of significance, the scrutiny panel is still of the view that the future benefits of such would outweigh the additional costs involved.
8. Previous studies have looked to overcome the relative isolation of Middlehaven by the possible provision of pedestrian links between the dock area and Corporation Road. As this would involve navigating the railway line and A66 trunk road above or below, the associated funding issues have always been prohibitive. However, development of the new dock bridge will at least improve vehicular access, ensure that traffic can enter Middlehaven at its eastern end from the A66 and complete a road loop around the area. As Middlehaven is not currently well served by local bus routes, completion of the road loop will offer an opportunity for improvements.

RECOMMENDATIONS

106. Following the submitted evidence, and based on the conclusions above, the Economic Regeneration and Transport Scrutiny Panel's recommendations for consideration by the Overview and Scrutiny board and the Executive are as follows:

1. That the significant progress that has been made at Middlehaven is promoted, through methods such as Love Middlesbrough. Publicity should highlight involvement of stakeholders and partners, levels of investment and future plans. The informative Middlehaven website (www.middlehaven.co.uk) is also a useful promotion tool, although action is needed to ensure that it is kept up to date.
2. That work is continued to develop and promote links and dialogue between Middlesbrough Council, partner agencies and all local stakeholders in respect of future development at Middlehaven. This should include:
 - a. Working with Middlesbrough College to ascertain how its Master Plan/vision can be best achieved in conjunction/co-ordination with Middlesbrough Council's Master Plan for Middlehaven.
 - b. Determining how best, or whether, leisure and business opportunities provided by the River Tees can be developed. Possible future uses for the river in the longer term should be examined and dialogue undertaken with landowners to examine the feasibility of improving public access to the river bank to promote/enhance its use as a leisure attraction.
 - c. Ensuring that the views of all local stakeholders are sought and taken into account in any future development proposals.
3. That a review is undertaken of all areas of public spaces at Middlehaven that are under the Council's control. This should be with a view to ensuring a consistent, and as high as possible, standard of maintenance.
4. That, in view of the improved road links that will be created following the building of the dock bridge, consideration is given to how/whether public transport links can be improved to Middlehaven, particularly in view of the large number of students now attending Middlesbrough College. The college should be invited to consider how it might support this process.
5. That, given the increasingly high profile of the Middlehaven regeneration schemes and progress made to date:
 - a. Work is continued to determine how the non-ownership issue in respect of the former floating nightclub that is moored on the River Tees can be resolved as a matter of urgency and the vessel removed.
 - b. The owner of the large disused crane at Middlehaven is contacted to ascertain whether anything can be done to improve its appearance, with removal being the preferred option.
6. That the Council continues to work with Terrace Hill Group in order to secure tenants for the vacant retail units at the Western Gateway development as soon as possible.
7. That the panel's previous support for a swing bridge over Middlesbrough Dock is re-iterated as this provides the most flexible option for future use of the dock. However, costs are recognised as important and any solution needs to be affordable and cost-effective.

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- S Gilmore - Middlesbrough Council
- D Gittins - Middlesbrough Council
- Z Lewis - Middlesbrough College
- P Vollans - The Brasserie at Hudson Quay

BACKGROUND PAPERS

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

- Reports to and minutes of the Economic Regeneration and Transport Scrutiny Panel meetings held on 11 December 2014 and 8 January, 29 January, 19 February, 5 March, 26 March, 12 August and 10 September 2015.

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