

AD-HOC SCRUTINY PANEL

A meeting of the Ad-Hoc Scrutiny Panel was held on Monday 23 November 2020.

PRESENT: Councillors J Thompson (Chair), D Coupe, C Dodds, T Higgins, J Hobson, J McTigue, D Rooney and M Storey

PRESENT BY INVITATION: Councillors A Preston, J Rathmell and A Waters

ALSO IN ATTENDANCE:

OFFICERS: S Bonner, C Lunn and S Lightwing

APOLOGIES FOR ABSENCE: Councillors M Saunders and B Hubbard

20/5 **DECLARATIONS OF INTEREST**

There were no declarations of interest received at this point in the meeting.

20/6 **MINUTES- AD HOC SCRUTINY PANEL - 3 NOVEMBER 2020**

The minutes of the Ad Hoc Scrutiny Panel meeting held on 3 November were submitted and approved as a correct record.

20/7 **BOHO X**

The Chair explained that at the previous meeting of the Corporate Affairs and Audit Committee on 15 October 2020 the Director of Regeneration and Culture and the Head of Development provided information relating to the governance processes followed for BOHO X from an officer's perspective.

Both the Chair of Corporate Affairs and Audit and the Chair of the Overview and Scrutiny Board agreed an Ad Hoc Scrutiny Panel should be convened to better understand this issue from a political perspective.

The Chair invited the Mayor to provide information about BOHO X before inviting the Panel to pose their questions.

As part of his presentation the Mayor made the following points:

- After being elected he was made aware of a fund totalling approximately £20 million from the Tees Valley Combined Authority for regeneration initiatives.
- The fund was notionally available to Middlesbrough Council.
- Discussions had taken place about how to utilise the funding, with a focus on developing and growing the Town's digital sector.
- There had been a lack of clarity about if the Council could access the fund.
- At that point there was no plan for a new building or digital campus.
- A basic graphical illustration had been drawn up to that point, however this was conceptual in nature.
- There was a determination for the Council to secure the fund.
- Discussions took place between the Council and the Tees Valley Mayor about how the Council could secure the fund.
- Following a meeting between the Tees Valley Mayor and Middlesbrough Council representatives, the Mayor felt this was the beginning of the project.
- By the time the concept of BOHO X was launched there was a great deal of excitement about the project.
- Several businesses paid deposits for places in the new building, something that had not really happened outside London.

- There was support from a political, officer and financial perspective however at that point the Covid Pandemic began forcing a reevaluation of the project.

A Member made a point of clarification that in March 2019 the Executive considered a report that included details for a new building including floor plans and funding.

The Member commented that at a previous OSB Call In meeting, the Mayor stated it was important to secure the advice of relevant experts for projects such as BOHO. The Member queried what experts the Mayor consulted and what professional challenge was received for the BOHO X project, specifically regarding why a tower block was the most appropriate design.

The Mayor responded that previous plans had approved a concept, without confirming funding for the Council.

Expert opinion was sought from a local architect with a great deal of expertise in this area. It was confirmed that an additional architect was consulted about the project to add further support to the project.

The Mayor clarified that the land in Middlehaven would increase in value depending how it was developed. In this case, when building on low-rise principles more land was occupied resulting in single use land. If buildings were taller with a smaller foot-print this would allow for more developable land in central Middlesbrough. Land in this area was currently worth less than land in its surrounding areas and this was generally the opposite in other places. Building low rise buildings could reduce the worth of the land it was on. It was also confirmed that the second architect did not suggest the building should be low rise in nature.

It was also stated that the business community were enthused about the development which was hoped to be a landmark in the Town.

A Member stated that the Mayor had not addressed all of the aspects of the previous question. The Mayor clarified that the Council sought professional challenge from the second architect and that consultation had taken place with the business community.

It was also confirmed that there was no decision to move to a low rise building, but instead the decision had been to move to a smaller building which involved less risk.

A Member stated that the presentation delivered to Executive in March 2019 was from the digital sector about what they wanted from the development. He queried how the digital sector received the amended plans and why the digital sector changed their approach to the plans put forward by the Mayor.

It was confirmed that consultation with the digital sector had taken place albeit in a more informal format than usual consultation practices. The plans were driven by the sector and their input. It was also clarified that the fund from the Tees Valley Combined Authority was ear-marked rather than committed to the Council.

It was confirmed there was little opposition to growing the digital sector in Middlesbrough.

The Executive Member for Regeneration commented that at the Executive meeting in March 2020 there was a detailed business case concerning how funding for the BOHO X project would be secured whereas the previous report of March 2019 had identified the money was ear-marked.

A Member commented that consultation should be properly recorded and carried out in a formal rather than informal capacity. The Member stated that at the previous meeting of Corporate Affairs and Audit Committee a lack of flexibility in tower block design was the reason for a change to the BOHO X design and queried why the COVID Pandemic was cited as the primary reason for the change.

It was confirmed that a great deal of thought was given to how the plans for BOHO X could be changed in the wake of the COVID Pandemic.

A Member commented that Middlesbrough had previously fostered digital initiatives through

entities like the CADCAM centre which had not been successful as they lacked engagement with small businesses. The Member commented that the concept of BOHO was a good idea and presented Middlesbrough with the opportunity to fully develop the Town's digital strategy.

A Member queried how many tenders had been received with regard to the procurement of a construction partner and how that partner was selected.

It was confirmed that the tender process was not a matter for elected members but for officers.

A Member queried why the plans changed from those put forward in March 2019 to those formulated in March 2020, as officers had stated tower block designs did not offer the flexibility of low-rise buildings.

It was confirmed the tower block design incorporated flexibility for younger businesses on the lower floors whereas higher floors had slightly more rigid floor plates. While there were designs that could have been more flexible this would have resulted in a loss of usable land and the ability for people collaborate effectively.

A Member queried if information about those businesses that had provided deposits could be shared with the Panel.

It was confirmed that exact details could be provided by officers but it was estimated that of approximately 80,000 square feet of available space, approximately 20,000 square feet had been received deposits.

20/8

ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.

None.