

**ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL**

A meeting of the Economic Development, Environment and Infrastructure Scrutiny Panel was held on Wednesday 14 September 2022.

**PRESENT:** Councillors J McTigue, (Chair) R Arundale (Vice-Chair), D Branson, T Furness, A Hellaoui (as substitute for J Thompson) and B Hubbard

**ALSO IN ATTENDANCE:** A Preston, Mayor

**OFFICERS:** R Horniman and S Lightwing

**APOLOGIES FOR ABSENCE:** were submitted on behalf of Councillors T Mawston and J Thompson

22/17 **WELCOME AND EVACUATION PROCEDURE**

The Chair welcomed all present to the meeting and read out the Building Evacuation Procedure.

Members observed one minute's silence as a mark of respect following the recent death of Queen Elizabeth II.

22/18 **DECLARATIONS OF INTEREST**

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

22/19 **MINUTES - ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL - 20 JULY 2022**

The minutes of the meeting of the Economic Development, Environment and Infrastructure Scrutiny Panel held on 20 July 2022 were taken as read and approved as a correct record.

22/20 **MIDDLESBROUGH MAYORAL DEVELOPMENT CORPORATION**

The Mayor of Middlesbrough was in attendance to provide information in relation to the proposed Mayoral Development Corporation (MDC) for Middlesbrough.

The Mayor explained that the idea of a Development Corporation was that it was leaner, had more powers, potentially more funding, and could get things done bigger, better and faster. The Development Corporation for Middlesbrough would focus on the very centre of the town.

For the entire Tees Valley population of around 7,000 residents, Middlesbrough's economy was very important and had underperformed its role for many reasons which needed addressing.

There were very few MDCs in the UK and they were created via an Act of Parliament. It was expected that the creation of an MDC would attract some national attention and media coverage and put Middlesbrough in a good light and be seen to be taking some positive steps.

It was highlighted that potentially much of the planning control that currently rested with Middlesbrough Council would be transferred to the MDC. The MDC would be governed by a Board, which the Tees Valley Mayor would Chair, and Middlesbrough's Mayor would be Vice Chair. The rest of the Board was yet to be determined but was likely to comprise people with local knowledge, skills and enthusiasm for the area. The MDC's planning powers would only cover the central Middlesbrough area.

The Mayor stated that there was no implied criticism of the Council's planning department but that Councils were required to following process and procedures and that could be a hindrance to getting things done. The MDC would have the ability to act without being tied up by other procedures.

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Potentially the Tees Valley Combined Authority would provide some funding with the aim of attracting further investment and projects. With greater access to funding it was possible that the MDC could accelerate some of the projects that the Council had been considering for several years. One example was The Crown. This was a landmark building that had been a derelict eyesore for a number of years and was located at a gateway to the town. There was a proposition to revitalise the building but whether that would be financially viable was not yet known. The MDC, with access to more funding would perhaps have the ability to steer through planning issues more nimbly to make the proposals a reality.

Where a site was owned by Middlesbrough Council, the Council would work with the MDC to make improvements but it would have to be on the basis of providing good value for the people of Middlesbrough and the town. Any Council assets that were transferred to the MDC would be negotiated on a case by case basis.

The Mayor referred to the House of Fraser building in the town centre. The Council had been fearful of it being left to deteriorate and therefore purchased it. There was an interesting idea from a local organisation and the MDC might be able to take that project forward. Since the building was purchased with public money however, it would not be transferred to the MDC free of charge. The Council would not be handing over assets to the MDC without suitable recompense. The MDC could also work with private owners to create something special in the town.

The Panel were reminded that Middlesbrough Council had previously transferred its housing assets to a private company. Middlesbrough Council had also established the Middlesbrough Development Company that worked with private and public sector organisations to deliver new residential and commercial investment.

The Mayor stated that he believed that Central Middlesbrough could, and should, become an extraordinarily vibrant place for the whole region and that having an MDC could make that happen. The Director of Regeneration agreed with the Mayor's comments, particularly in relation to the impact that an MDC could make, since the Council's finances limited what could be done. However, it was important that the Council received further detail about how the MDC would work and in particular around planning powers.

Concerns were voiced in relation to scrutiny of the MDC Board and how that might happen. It was acknowledged that being challenged in public was healthy and an essential process. The Mayor stated that he was not against the idea in principle, however, the composition of the Board had not yet been decided and a Constitution would also need to be drawn up. The Panel's concerns about accountability were noted and that the benefits of a speedier process should not supersede it.

In relation to the potential for compulsory purchase of assets, the Mayor explained that the MDC may be able to force a sale if, for example, a building was holding up a large project. However, an independent valuation would have to be made of the asset. The Mayor added that he would not be in favour of forcing the sale of assets unless it was a very big scheme that was being put in jeopardy.

Another concern raised was the lack of detail available in relation to funding at the current time. An initial figure of £10 million from Central Government had been suggested. The Mayor agreed that more detail was needed and confirmed that Middlesbrough Council was not being asked to commit any resources to the MDC.

A query was raised in relation to business rates and whether some of the MDC's clawback could be re-allocated to Middlesbrough Council for specific projects. The money raised from business rates would be split 50% to Middlesbrough Council and 50% to the MDC, rather than 50% to Central Government. Whilst Middlesbrough Council would continue to retain 50% for its general budget, it was unlikely that the MDC would re-allocate any of its share to the Council as it would more likely be used as leverage against future borrowing. However if businesses moved into new buildings built by the MDC, that would in turn provide additional income to the Council from business rates.

Discussion took place regarding enterprise zones and the potential for business rate reductions that might be applied to entice businesses into the MDC area, thus leaving vacant properties in other parts of the town. It was clarified that the current enterprise zones had

strict criteria applied in terms of offering discounted business rates. Only businesses moving from outside of the area would qualify and there were other stipulations in relation to job creation.

The current timescale for implementation of the MDC was that it would be in place by late November, however the expectation was that it probably would not be up and running until early next year. Whilst Middlesbrough Council was involved in consultations, the Tees Valley Combined Authority was leading on the MDC creation. Regular meetings were taking place that involved Middlesbrough's Mayor and Chief Executive but at the current time there were no detailed proposals to share with Members. Once proposals were drawn up, Middlesbrough Councillors would be briefed on the details. A full Council vote would only be needed on the proposals if there was a significant financial implication for Middlesbrough.

**AGREED** as follows:

1. the information provided was received and noted.
2. a map of the MDC area would be provided to all Panel Members.

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## **TOWN CENTRE STRATEGY**

The Director of Regeneration provided an update on the Town Centre Strategy.

Businesses already signed up to units in the Captain Cook Square were progressing their fit outs. There had been some additional interest from local businesses rather than national companies.

The Cleveland Centre was performing well financially. Whilst shopping centres might not be sustainable in the longer term, currently there were no concerns. Multi brand fashion retailer "Leading Labels" had recently opened a new shop in the Centre. Currently there were no plans for the public toilets to be re-opened as they had to be staffed at additional cost. Public toilets were available in the Town Hall via the box office entrance. The Cleveland Centre car park was managed by the Centre's operators and permits had been sold off various businesses. There was no free parking.

Proposals had been submitted for an improved entrance to the Centre from Albert Road. Whilst the Council would like to see this in place, it would be advised by the managing agent for the Centre and would have to work for people coming into that area.

There had been some interest in the House of Fraser and the Council was working with external providers who had put forward some proposals.

Pre-planning discussions were underway with the owners of The Crown. A scheme had been drawn up but there was some concern as to whether it was financially viable.

Work was being undertaken with retailers in the town in relation to anti-social behaviour and the Council was looking at how to address the issues to make the centre a safer and more pleasant environment using UK Shared Prosperity Fund money.

A very successful Teesside Restaurant Week had just taken place from 5 to 10 September 2022.

A project to redevelop Church House for apartments had been signed off and would be publicised soon. It was anticipated that development would commence over the next 12 months.

The Council was also focussing on accessibility to the town centre. Whilst there was a transport plan for the whole town there needed to be changes made to the town centre in terms of how people moved around. Considerations included bus lanes, bus superstops and on street electric vehicle chargers.

The new cycle lane on Linthorpe Road was camera monitored and it was getting used. Anecdotally the Council was hearing that no one was using it but this was untrue. The early signs were that people were using it regularly and new infrastructure could take up to ten years to fulfil its potential usage.

The Council had entered a contract with Sustrans to provide sufficient secure storage facilities

in the town centre for bikes.

Members also discussed the cycle route infrastructure across the town. It was noted that off road routes were often not well publicised or maintained. It was suggested that some publicity as to the routes available could be generated from the Press Office or through the Love Middlesbrough magazine.

The Scrutiny Panel had previously made a recommendation for the Council to explore building an events arena for Middlesbrough. There was a site at Middlehaven that would be suitable and the Council had been approached by several interest parties who claimed they could deliver one. However, in the current climate, building an arena was not financially viable since public funding would be required. It was acknowledged that an events arena would have a transformative effect with spin offs such as hotels, restaurants and shops. However there was currently nothing on the table that was realistically affordable. Whilst the operating cost of an arena might balance out, it would never make enough profit to repay the building costs.

**AGREED** as follows that the:

1. the information provided was received and noted.
2. existing cycle routes in Middlesbrough should be publicised more widely.

22/22 **DATE OF NEXT MEETING - 12 OCTOBER 2022**

The next meeting of the Economic Development, Environment and Infrastructure Scrutiny Panel was scheduled to take place on 12 October 2022 at 10.30 am.

22/23 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED**

Middlesbrough Council Motion No. 153 – Toxic Chemicals in the River Tees

Councillor Branson provided the following update:

Redcar and Cleveland Council had written to all local councils in the Tees Valley to request that a Joint Scrutiny Committee was established to look into this issue. The Labour Group for Middlesbrough had been asked to write to the Chief Executive of Middlesbrough Council to ask what action had been taken since the passing of the Motion No 153, and to urge the establishment of the Joint Scrutiny Committee.