

**CORPORATE AFFAIRS AND AUDIT COMMITTEE**

A meeting of the Corporate Affairs and Audit Committee was held on 15 October 2020.

**PRESENT:** Councillors Rathmell, (Chair), Higgins, Hill (as substitute for Hubbard), Mawston, M Storey (as substitute for Rooney) and C Wright

**PRESENT BY INVITATION:** Councillor C Hobson, Executive Member Finance and Governance

**ALSO IN ATTENDANCE:** M Rutter, External Auditor, Ernst Young  
P Jeffrey, Internal Auditor, Veritau

**OFFICERS:** C Benjamin, S Bonner, S Fletcher, R Horniman, D Johnson, S Lightwing, S Reynolds, J Weston, K Whitmore, I Wright

**APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors J Hobson, Hubbard, Rooney.

**DECLARATIONS OF INTERESTS**

There were no Declarations of Interest at this point of the meeting.

**1 MINUTES - CORPORATE AFFAIRS AND AUDIT COMMITTEE - 24 SEPTEMBER 2020**

The minutes of the meeting of the Corporate Affairs and Audit Committee held on 24 September 2020 were taken as read and approved as a correct record.

**2 BOHO X – GOVERNANCE AND PROJECT MANAGEMENT ARRANGEMENTS**

The Director of Regeneration, Director of Finance and Head of Capital Projects were in attendance at the meeting to provide information in relation to Boho X in terms of governance and project management arrangements.

The Director of Regeneration gave a presentation outlining the arrangements in place at Middlesbrough Council.

Boho X was part of an overall project to develop the digital campus in Middlesbrough and bring together commercial and residential space at Middlehaven. It was part of a large investment in that part of the town aimed at driving the growth of the digital cluster and moving it to the next level. Boho X represented the iconic flagship centrepiece building as a visible symbol of the digital cluster's presence in Middlesbrough and was funded predominantly by the Tees Valley Combined Authority (TVCA) and some capital funding from Middlesbrough Council.

The presentation covered details of the process under the following headings:

- Executive Approval.
- Project Management.
- Project Governance.
- Key Appointments.
- Checks and Balances.
- Key Supporting Documents.

Responding to Members' questions, Officers provided information on the following:

- The project management process had been used in previous projects and had been based on the same principles for several years.
- The net internal area of floor space in the new design of Boho X was a similar level to that which was proposed in the original design. The demand study highlighted that the requirement was between 60,000 and 80,000 square feet of usable space.

- The new design provided more flexibility in terms of floor plates and it was anticipated that in response to the Covid-19 pandemic there was likely to be a requirement for a higher proportion of shared space. In addition, it was possible that companies might take different amounts of floor space than they had previously indicated.
- It was highlighted that due to the ongoing Covid-19 pandemic it was still not clear what companies' requirements were likely to be. In terms of design, the balance had shifted from the requirement for an iconic tower building to one that provided the flexibility to enable how the building might operate in future.
- It was noted that the original tower block design was announced in March, publicised nationally in June, and the re-designed building was unveiled in September 2020.
- The design work was monitored against the Royal Institute of British Architect (RIBA) Key Stages.
- In relation to the tendering process for the project, the Architect was appointed to take the project to RIBA Stage 3. The Contractor could then choose to take on board the Design Team as it was between Key Stages 1 and 3, or bring on board their own Design Team to move the project forward.
- A building of the size and complexity of both the tower and the current design required a contractor of a certain size and type, and the procurement framework was very detailed and comprehensive in terms of the types of companies available for selection.
- In terms of the timeline for the change from the tower block design to the current one, it was highlighted that throughout the process a number of meetings would have taken place between the architect, design team, design review team and the Mayor.

At this point in the meeting the Monitoring Officer provided advice to the Committee in terms of Members questioning Officers in relation to decisions made by other parties involved in the project.

- It was confirmed that Logic Architecture were appointed through the tendering process led by Bloom.
- The Design Adviser had experience of tower block design and provided input through the design review process.
- A breakdown of the £615,899 spent on the project to date was available in a recent Freedom of Information request, a copy of which would be provided to Committee Members.
- The design fee of £507,965 covered the cost for architects, design work, quantity surveyors, cost consultancy, project management and surveys.
- The Tees Valley Combined Authority (TVCA) provided a total of £26.2 million for the Boho 8 and Boho X projects. £6.2 million of that total was from the Indigenous Growth Fund and the other £20 million was provided directly from TVCA. Middlesbrough Council contributed £3.9 million from the capital programme.
- The cost of Boho 8 was £2.5 million.
- The helicopter pad in the original Boho X design was incorporated to make a statement as part of this flagship project.
- It was confirmed that the funding for Boho X was solely allocated for economic growth projects and had not been taken from other Council services.

Officers agreed to provide the Committee with information in relation to the start date of the project management process, details of the marketing and public relations exercise for the project and the timeline and a copy of the Freedom of Information request submitted by James Perry to Middlesbrough Council in relation to associated costs with Boho X development proposals.

The Committee discussed of the governance and project management arrangements for Boho X. The Chair requested that it was noted in the minutes that Councillor Mawston had left the meeting and therefore was not included in the discussion or agreement of the resolutions.

The Chair thanked the Officers for their attendance at the meeting and the information provided.

**AGREED** as follows:

1. The following information would be provided by Officers, in writing, to the Committee:

- The start date of the project management process.
- Details of the marketing and public relations exercise for the project and the timeline.
- A copy of the Freedom of Information request submitted by James Perry to Middlesbrough Council in relation to associated costs with Boho X development proposals.

2. Within the next five days, all Group Leaders would meet with the Monitoring Officer and Director of Finance to discuss and propose terms of reference for an audit of the governance processes in relation to Boho X.

3. The draft terms of reference would be emailed to Members of the Corporate Affairs and Audit Committee for final approval.

4. The Chair, on behalf of the Committee, would contact the Chair of Overview and Scrutiny Board, to request that consideration was given to convening an ad hoc scrutiny into Elected Members' role in decision-making in relation to Boho X.