

ASHLEY WATERS

EXECUTIVE MEMBER REPORT TO COUNCIL 14 October 2020

Strategic:

Emergency Grant Activity

As at 4 September for Middlesbrough Council (all existing schemes now closed)

Small Business Grant: **1,615** businesses have received grants totalling
£16,150,000

Retail, Leisure & Hospitality Grant: **391** businesses have received grants
totalling **£7,390,000**

Local Authority Discretionary Grants: **100** businesses have received grants
totalling **£888,000**

In delivering the various grants programmes staff in the Revenues and Benefits service and the Economic Growth service quickly mobilised; understanding that time is of the essence for paying these critical funds to our business community. Staff were diverted from their main roles and passionately supported businesses through the application process. Many Middlesbrough businesses now have a much-improved chance of weathering the economic impact, as a consequence of officers' dedicated and speedy response.

Future High Street Fund and Towns Fund

Both bids were submitted to government on 31st July 2020, with an initial response expected in October.

Future High Street Fund

Aim: To renew and reshape town centres and high streets in a way that drives growth, improves experience and ensures future sustainability.

Submission: Middlesbrough envisions a bright future for its high street based on building a new urban community in the heart of Middlesbrough. By bringing more people to live in central Middlesbrough with the aim of:

- Meeting housing demand both now and in the future;
- Driving reliable footfall into the heart of the High Street;
- Converting, adapting and diversifying a chronic oversupply of retail space;

Attracting and retaining skills and talent; and,
Building an increasingly, economically-active consumer base which will provide the necessary demand to sustain the transformation to a balanced leisure economy.

Impact

650 new homes and apartments located within the town centre, housing 1,500 residents.
Business supported to build resilience and embed long term trading adaptations - post COVID-19.

Increased cultural visitor patronage at a growth rate of 2% per annum.

Increase footfall in central Middlesbrough by a minimum of 10%.

Redress the balance of leisure and retail space by 25%, stabilising the commercial rental economy and incentivising private sector reinvestment.

Increased bus/rail patronage and cycle usage working towards the integration of multi-modal transport and a reduction in carbon emissions.

Build the base for further private investment and public funding.

Timescale: 2020/21 – 2023/24

Amount applied for: £20,500,000

Towns Fund

Aim: The overarching aim of the Towns Fund is to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth.

Submission: Five themes underpin the economic ambitions and aim to rebuild Middlesbrough's economic and social fortunes:

Transport and Connectivity - All travel modes will be enhanced.

Urban Communities and Placemaking - New urban communities, new employment accommodation and a broader leisure mix will be created.

The Middlesbrough Experience - Middlesbrough will be the key destination in the Tees Valley.

Building a Knowledge Economy - Quality of life and outcomes for residents will be improved through education and training.

Enterprise Infrastructure - Middlesbrough will deliver premium commercial space to enable additional employment.

Impact:

By 2030, Middlesbrough will be transformed by:

2000 new urban homes in the town centre, home to 4000 residents;

£500,000,000 investment between 2020 and 2024 (2:1 private: public investment)

265,000 sq. ft. of additional modern office floorspace

2700 new jobs

35% increase in rail passenger patronage

16 km of new cycle ways provided

New Town Centre Art College and Secondary school by 2024

Timescale: 2020/21 – 2023/24

Amount applied for: £25,000,000 plus advanced funding request of £1m to accelerate the Boho 8 development.

Performance:

Rail and Historic Quarter

The Historic Quarter was designated a Conservation Area in 1989 and centres around the Grade II-listed railway station, extending north towards Middlehaven and south towards the town centre. Once the commercial centre of Middlesbrough's trade boom in the second half of the 19th century, the Historic Quarter has suffered in recent years through lack of investment and high levels of empty properties.

The area is now set to benefit from a key funding injection through Historic England's High Street Heritage Action Zone fund. The programme is funded by Historic England (£985,880), Middlesbrough Council (£1 million) and will leverage third party funding.

The project was launched on Monday 7th September and will run until March 2024. It will offer property improvement grants to eligible privately-owned premises, to assist with building repairs and restoration. It will also provide enhancements to Exchange Square and Zetland Road, such as upgrades to hard surfacing, new street furniture, improved street lighting and the introduction of new trees. A range of community and cultural activities will reanimate the area and increase footfall.

The programme of improvements has been designed to stimulate investment and make the area a more engaging and vibrant place to be.

Town Centre footfall

Monthly footfall figures are as follows:

	February	March	April	May	June	July	August
Footfall	1,067,502	847,787	212,476	270,345	652,009	742,657	848,996
% Month on Month		-31.1%	-68.7%	27.2%	92.9%	42.4%	14.3%
% Month on Month North and Yorkshire		-36.1%	-66.7	27.6%	70%	58.1%	15.5%
% Month on Month UK		-42.2%	-66.1%	30.9%	62.7%	56.3%	14.9%

In the months following lockdown the town centre has seen a steady recovery in its footfall levels and has recorded increases in numbers in the town centre in each of those months. The sharpest increase was recorded in June, with an increase of 92.9% which reflected the ending of national lockdown measures and the reopening of non-essential retail in the Town Centre. However, footfall figures in Middlesbrough Town Centre are still only operating at around 80% of pre-lockdown levels which is reflected both regionally and nationally.

Wider conversations with retailers suggest that although numbers are still down on pre-lockdown levels, spend by individual customers per visit to the town centre, has stabilised over this period.

Boho 8

Work has officially started on Boho 8, which is the next phase in the Council's ambitious plans for the Boho Campus. Boho 8 will deliver 10,000 sq. ft. of high quality bespoke modular office accommodation that provide additional space for rapidly expanding companies in Boho 1 and 5 and attract new companies to the digital campus.

The ground breaking ceremony was attended by both the Mayor of Middlesbrough and Tees Valley Major. The project will deliver four bespoke modular design cantilever units that offer external roof terraces and range in size from 1,000 – 3,000 sq. ft. The development will be complete in winter 2020.

Jobs

Amazon (Darlington Fulfilment Centre) is expected to recruit up to 1,000 seasonal/festive workers as part of the company's national recruitment drive.

Costa Coffee has confirmed that up to 1,650 roles are at risk of being cut to reduce its running costs due to the impact of coronavirus. The company is consulting with staff to try to find roles in other parts of the business for those facing redundancy. The company has suggested the role of assistant store manager will be removed in branches across the UK. There are Costa Coffee branches throughout the Tees Valley.

Rio Steakhouse - Authentic Brazilian steak restaurant is due to open in the former Bistrot Pierre on Albert Road. The restaurant forms part of the Tomahawk steakhouse group – The Tomahawk has also taken over the Brierley restaurant in Acklam Hall.

TeesAMP

Since Phase 1 of the manufacturing park was opened in June, despite Covid interrupting the completion of the construction and generally having a negative impact on investment the Council has:

Actually let 25% of TeesAMP (45,000 sq. ft. of the 180,000 sq. ft. available);

Agreed terms with tenants on a further 27,000 sq. ft. with these deal awaiting completion with solicitors;

Close to agreeing terms on a further 60,000 sq. ft. with international manufacturers; and Executive agreed in principle to sell a plot in Phase 2 which will result in a site for the development of an additional 30,000 sq. ft. unit required to attract a new £7.5m inward investment within the green energy sector.

Centre Square

The Council has made both Buildings 1 & 2 available for commercial lettings. Of the total c. 92,000 sq. ft. of the space for let – the Council has:

Agreed terms with tenants to lease c. 74,000 sq. ft. (or 80%). The sectors include banking, pensions, digital and outsourcing – all tenants are businesses in expansion – with Centre Square providing the opportunity to accommodate companies that would otherwise have looked elsewhere – some were looking beyond the Tees Valley area entirely. These deals are in advanced stage and are close to completing with solicitors and will be announced as soon as the companies provide their consent to do so – many have to consult their current staff on the moves.

Exploring the opportunity for Norther School of Arts to utilise the 5,000 sq. ft. Building 1 café area (which faces onto Mima) as a temporary art gallery/exhibition space – given that at present investments within the café/restaurant sector are on hold.

A66/A171 Cargo Fleet Junction Improvements

The new A66/A171 Cargo Fleet junction – including the ‘Throughabout’ – opened to traffic on Sunday 30th August, as programmed. So far the new road layout is working well, although its operation is being closely monitored to ensure that it performs as efficiently and safely as possible.

Works to install the high mast lighting on the A66 have slipped slightly behind schedule due to the inclement weather over recent weeks. Completion of these works – and of the scheme as a whole – is now programmed for Friday 18th September.

Boho Zone

Despite the tough current climate, the digital cluster has enjoyed significant growth within the Boho Zone, leading into the wider Digital Enterprise Zone. Collectively, we’ve seen businesses in Boho One increase their floorspace by over 11,000 sq. ft. (almost half the total lettable space of the building) to meet their growth requirements in the last 5 months. Two of these businesses have moved across to 16-26 on Albert North, with one business in Boho One backfilling their vacated space, meaning the building remains at full occupancy.

Boho Five has also seen significant movement, with another business outgrowing a large space and moving into 16-26. Due to the growth of businesses in this building, we currently have a plan in place to backfill the space to reach the current occupancy levels we have right now of around 80-90% let.

On top of this, we have four businesses that we expect to fill Boho Eight once it comes online in November – with additional expressions of interest coming through daily.

The Tees Tech Awards has proved a major success. Under Middlesbrough Digital, we partnered with DigitalCity and Tees Business to launch the inaugural awards in August. Moving the event online offered both challenges and opportunities, and fortunately the latter has come out on top. Middlesbrough-based digital tech businesses won 10 of the 11 awards on offer, including the first ever ‘Tees Tech Company of the Year’ and ‘Business Leader of the Year’ awards.

The Tees Tech Awards has now been viewed over 110,000 times, with a reach well outside of the Tees Valley and wider North East – raising the profile and highlighting the strength of the digital tech sector we have in Middlesbrough and Tees Valley.

Marlon Avenue

Following a procurement exercise a preferred developer has been selected for the delivery of the Marlon Avenue site. Executive Approval is being sought and a decision is due to be made by them on the 29th September 2020.

In a move away from the original intention, the site is being sold as one whole site. This means that all vehicular access to and from the site will be taken from Alan Peacock Way with no through access to Marton Avenue, other than pedestrian.

A maximum of 72 units will be built at this site. The residential development will contribute towards improving Middlesbrough's overall housing offer, ensuring there is a sufficient supply of high quality housing to prevent residents moving outside of the city and attracting new residents from neighbouring areas. This will increase the vibrancy of the city, support Middlesbrough's overall economic growth and stem out migration.

Middlesbrough Development Company

At this week's Middlesbrough Development Company (MDC) board, it was agreed that Tony Dodds who has been working as acting Managing Director for Middlesbrough Development Company would be appointed into a permanent role employed by MDC. It was unanimously approved by all board members and Tony has taken up the role with immediate effect.

Involvement and Promotion:

Kickstart Scheme

Government scheme to create jobs for up to 500 young people in the region as part of the new Kickstart scheme. To allow small and medium sized companies in the Tees Valley to access this support and create jobs TVCA will lodge an application. SME's that wish to take on a young person for six months have been asked to register their interest at <https://www.teesvalleybusiness.com/kickstart-tees-valley>.

Baker / Bedford Street Consultation

Following on-going monitoring of the temporary highway arrangements at Baker/Bedford Street and Linthorpe/Grange Road, a consultation with local stakeholders has recently concluded to identify longer term solutions.

Temporary arrangements (temporary suspension of parking bays, and road closures on Grange Road/Linthorpe Road) were put in place at the start of the Covid-19 pandemic in order to allow people to access the town centre; following guidelines from the Government. This has resulted in a reduction in car parking spaces in the area, which had been opposed by some stakeholders. However, a number of the food and beverage stakeholders requested and now have street licenses in operation to expand their trade capacity (using the car parking spaces). Balancing these conflicting requirements resulted in several options being presented to stakeholders.

Indicative ideas were presented to stimulate debate. They include:

Return the street to pre Covid measures, returning all car parking facilities (excluding where outdoor licenses have been awarded), and allowing free movement of traffic through the area, including the return of buses.

Maintain the current set up, which involves the road closures at Grange Road and Linthorpe/Borough Road, and maintain the street licenses to be upheld. This will return some car parking spaces.

Maintenance the existing set up (option two), however implement a barrier system on Baker Street to allow the option of weekend closures of Baker Street. This option would look to improve the provision of the street licenses using more aesthetically pleasing hoardings, as opposed to the current red and white crash barriers.

Space was provided for stakeholders to provide comments on how the highway arrangements could work from their perspective, and propose alternate means of addressing the issues faced. The outcome of the consultation was to implement adaptations with some amendments to the illustrative options. These measures will be communicated with the stakeholders of the area, prior to implementation.

