

Report of:	Executive Member for Regeneration Director of Regeneration
Submitted to:	Single Member Executive – Executive Member for Regeneration – Cllr Eric Polano
Date:	5 August 2022
Title:	Town Centre Progress and Strategic Investment - PART A
Report for:	Decision
Status:	Public
Strategic priority:	Town Centre
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £150,000
Urgent:	No
Why:	Not applicable

Executive summary

This report sets out the progress made in the modernisation and transformation of Middlesbrough town centre; key issues which are emerging; new funding opportunities; and, seeks approval for the case for strategic investment to support our main shopping thoroughfares and gateways.

The Executive Member for Regeneration is recommended to approve:

- a) the information contained in Part A of the report be noted; and
- b) the investment proposal, along with financial or exempt information, contained in Part B of the report.

Purpose

1. This report sets out the progress made in the modernisation and transformation of Middlesbrough town centre; key issues which are emerging; new funding opportunities; and, seeks approval for the case for strategic investment to support our main shopping thoroughfares and gateways.

Background and relevant information

2. Middlesbrough town centre, as with all retail environments, is in need of urgent structural changes to its economic landscape. The Covid 19 pandemic, coupled with deep-rooted consumer behavioural changes, means that town centres must diversify their offer to remain relevant in the modern world.
3. Middlesbrough has a strong strategic vision to transform the town centre economy through a process of giving more reasons for people to use the town centre to Live, Work, Learn and enjoy Leisure.
4. In recent years, Middlesbrough has been successful in securing significant public and private investment for the town centre. Indeed Middlesbrough Council has invested C.20m in the investment of major town centre properties, giving the necessary control required to reshape the market place.
5. This direct investment has been supplemented by major Government funding to aid the transition to a modern town centre ecosystem. £14.1m of Future High Streets Funding (FHSF), along with £21.9m of Town Deal funding has laid the foundations for a major shift in the function of Middlesbrough town centre.
6. The scale and scope of the required changes are vast. Additional funding, and support from our strategic partners, is always being sought to aid the transformation of our economy. New issues and challenges are emerging all of the time and this is exacerbated by high inflation and a relatively bleak macroeconomic forecast.
7. With planned and strategic interventions there is significant confidence that the necessary changes can be made and will have the desired impact. The following section highlights some of the work being undertaken to strengthen Middlesbrough's economy.

Future High Streets Fund

8. A £250k package of grant support has been distributed to town centre businesses making adaptations to their business model or investment for growth.
9. To date, major leisure lettings have been secured in the Captain Cook Square development with each preparing their fit-outs and targeting openings from autumn 2022. Any other vacant space is under active discussions for additional lettings which will be announced as soon as leases are secured.
10. Huge investment in the transformation, updating and adaptation of the Captain Cook Centre has commence with works progressing until early 2023.

11. Works to improve safety and security at car parks and key thoroughfares has commenced and will continue through the coming months. This will make areas light, safe and bright, particularly in the dark / winter months, much improving the perceptions of the area for residents and visitors.
12. Highway adaptations are under construction in the Linthorpe road area to improve accessibility, alternative transport modes and encouraging the use of active travel and public transport.
13. Heritage properties are being brought back to life including significant investment in public spaces such as the recently renovated Exchange Square.
14. Funding terms have been agreed for investment in the redevelopment of Church House as 86 residential units, with an entirely new facade treatment.

Towns Fund

15. Captain Cook public house renovation works are complete and the site is now being marketed for new uses. The Old Town Hall is also scheduled for renovation works and Towns Fund monies will match a bid to the Heritage Lottery Fund, to bring a new lease of life to this important heritage asset.
16. Middlesbrough College has completed a major investment in its Campus with the support of £1m Towns Fund monies, laying the foundations for a growing campus and yet more students being based in central Middlesbrough.
17. Cargo Fleet nature reserve is complete and will be hosting school and community engagement events to connect people with the flora and fauna of the beck corridor.
18. Centre Square building six utilised £2m of Towns Fund grant to match the £10m investment of Tees Valley Combined Authority (TVCA). The building will host major employer, Axa, and will see a large amount of north east operations consolidated at the site.
19. Community facilities at Nunthorpe and the Southlands Centre site are being progressed with Towns Fund monies and are due to commence delivery later this financial year.
20. £1m is being invested across Middlesbrough to create new facilities, upgrade and refresh Middlesbrough's parks and play areas. The project also involves community gardens for growing fruit, vegetables and plants.

Emerging Opportunities

21. The announcement of a new **Mayoral Development Corporation (MDC)** for Middlesbrough Town Centre and Middlehaven, takes advantage of the devolved powers of the Tees Valley Mayor to attract additional investment, powers and delivery models to hasten the development of a range of housing, commercial and town centre facilities, with a view to boost the economy.
22. This new MDC puts Middlesbrough front and centre of development priorities in the

Tees Valley and brings additional capacity and resource to enhance the scale, speed and scope of Middlesbrough's development ambitions. The case for the new MDC is being prepared now and will be submitted to central government for appraisal and parliamentary sign-off. The new corporation should be established and effective from Autumn 2022.

23. Middlesbrough Council has submitted a £20m bid to the **Levelling Up funding** programme in support of the redevelopment and reuse of two iconic Middlesbrough Buildings.
24. The Crown/ABC Building and the House of Fraser Building have been identified as projects which have great public sympathy and garner clear public support. This was recently assessed from a public consultation exercise wherein over 90% of respondents agreed that the restoration and reuse of these buildings are a local priority and were a good proposal for a Levelling Up funding bid.
25. An announcement on the outcome of the bidding process is anticipated in the Autumn Budget Statement.
26. **UK Shared Prosperity** Funding replaces the funding programmes delivered from the European Union. They aim to invest in structural change of the local economy and provide the commercial business environment to allow businesses to innovate, invest, diversify, export and grow. The programme has a major skills enhancement strand and aims to increase the skills and gross value added of each UK employee.
27. Middlesbrough's opportunity to access the UK Shared Prosperity Fund will be administered through TVCA and calls for bids will be developed in the coming months, to aligned with both the national criteria and coherence with the Tees Valley Strategic Economic Plan. It will be possible to develop further initiatives to support business, skills and investment in central Middlesbrough, aligning with the local strategic ambitions.

Current Town Centre Issues

28. Part B of this report sets out a proposal for an investment intervention which supports measures to address some of the following issues:
29. **Antisocial behaviour** is a constant source of anxiety for both businesses, residents and visitors. It provides an atmosphere which stifles investment and undermines the regeneration initiatives planned to support the town centre. The recent operation 'Banton' witnessed a focused crackdown on antisocial behaviour from Police, Council services and other support agencies. The operation was successful but a more comprehensive, constant and visible approach is required to deliver business and consumer confidence. Plans are being developed with a Chief Executive-led stakeholder partnership, leading to new ways to tackle antisocial behaviour.
30. **Property vacancies** remain very high in the town centre at approximately 25%. Whilst many large vacancies will be addressed by new developments in the Council-owned Captain Cook centre and Cleveland centre, many other, privately-owned properties in the town need alternative occupational uses to ensure that the town centre is active and animated.

31. **Assets at risk and key gateways**, particularly around the Linthorpe Road / Newport Road crossroads require urgent action to address prominent vacancies and poor perceptions. Whilst plans are under development for Council-owned House of Fraser building (Levelling Up Fund Bid) the vacant Debenhams store and vacant Miss Selfridge building means that three out of four buildings which frame this gateway are vacant and undermining confidence in the town centre. Council officers are engaging with businesses and property owners to support new tenancies and alternative uses.

What decision(s) are being recommended?

The Executive Member for Regeneration is recommended to approve:

- a) the information contained in Part A of the report be noted; and
- b) the investment proposal, along with financial or exempt information, contained in Part B of the report.

Rationale for the recommended decision(s)

32. The investment proposal set out in part B of this report actively supports the town centre economy and supports measures to the issues outlined in paras 29,30 and 31.

Other potential decision(s) and why these have not been recommended

33. N/A Part A of report for information only.

Impact(s) of the recommended decision(s)

Legal

34. A funding agreement between Middlesbrough Council and any third party requires Middlesbrough to accept any conditions of grant and become 'Accountable Body' for the funding. Any agreements to be entered into will be assessed by Legal Services for risks to the Authority and Executive approval to accept the funding may be required.

Strategic priorities and risks

35. The performance of Middlesbrough Town Centre economy is a critical factor to the success of Middlesbrough's economy. In the absence of any intervention, the town centre could suffer terminal decline and undermine all of the strategic economic ambitions for Middlesbrough Council, Middlesbrough's residents, businesses and institutional partners / stakeholders.

36. The transformation of Middlesbrough's Town Centre supports the strategic ambitions of:

- a. People - Working with Communities and other Public services in Middlesbrough to improve the lives of local people.
- b. Place - Securing improvements in Middlesbrough's housing, infrastructure and attractiveness, improving the town's reputation, creating opportunities for local people and improving our finances.

- c. Business - Promoting investment in Middlesbrough's economy and making sure we work as effectively as possible to support our ambitions for People and Place.

Human Rights, Equality and Data Protection

37. An Impact Assessment is not required as the proposals will not have an impact on any individuals or groups with protected characteristics.

Financial

38. The investment proposal set out in part B of this report sets out all financial implications.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Set out in part B of this report.	Richard Horniman (Project Sponsor)	(ASAP) September 2022

Appendices

1	N/A
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Background papers

Body	Report title	Date
N/A	N/A	N/A

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