
ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL

A meeting of the Economic Development, Environment and Infrastructure Scrutiny Panel was held on 7 October 2020.

PRESENT: Councillors Saunders, (Chair), Hubbard (Vice Chair), Arundale, Branson, Coupe, Furness, Garvey, Lewis and M Storey

OFFICERS: L Antill, S Bonner, C Breheny, B Cowell, S Gilmore, J Hedgley, D Johnson, S Lightwing, M McPhee

APOLOGIES FOR ABSENCE None submitted.

DECLARATIONS OF INTERESTS

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

1 **MINUTES - ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL - 8 SEPTEMBER 2020**

The minutes of the meeting of the Economic Development, Environment and Infrastructure Scrutiny Panel held on 8 September 2020 were taken as read and approved as a correct record.

2 **AIR QUALITY**

The Head of Public Protection was in attendance to provide an update on air quality in Middlesbrough and an explanation of information reported in local media in relation to the Centre for Cities Report 2020, which appeared to contradict evidence provided to the Panel previously.

In the UK, air quality was a contributory factor to between 28,000 and 36,000 deaths per year. There was strong evidence that poor air quality contributed to the development of coronary heart disease, stroke, respiratory disease and lung cancer and exacerbated asthma.

Historically, the main pollutants in Middlesbrough were Sulphur Dioxide (SO₂) and Particulate Matter (PM₁₀ and PM_{2.5}). These were microscopic particles that could be inhaled into the lungs and could enter the bloodstream. These pollutants primarily came from burning coal and oil. Nitrogen Dioxide (NO₂) and Carbon Monoxide and Dioxide (CO, CO₂) Volatile Organic Compounds (VOC) and Particulate Matter came predominantly from petrol and diesel road vehicles. Particulate Matter could come from other sources as well. There was also a range of pollutants from industrial processes, albeit these were strictly regulated and released at high level. Particulate Matter was also released from wood burning stoves in residential settings and this did have an impact in Middlesbrough.

The Centre for Cities Report 2020 referred to Middlesbrough as having the highest NO₂ emissions per 100,000 population. However, this calculation was not based on the Middlesbrough Local Authority area. In the Report, Middlesbrough was classified as an Primary Urban Area, which included Middlesbrough, Redcar and Cleveland and Stockton Local Authorities, giving a combined population of 474,000. In addition, the report was based on modelled data. As the report was based on the Primary Urban Area it did not differentiate where emissions were coming from, and included emissions from industry in all three Local Authority areas. Both Stockton and Redcar and Cleveland had large industrial complexes and the data took into account all the industrial releases. It was highlighted that the impact of Nitrogen Dioxide being emitted from a 70 metre high stack into the air was far less than the impact from emissions at ground level. Therefore the high value of NO₂ within this Primary Urban Area was skewed by the industrial releases at a high level which had very little impact at ground level where people breathe.

Every Local Authority in the country had to undergo an annual Air Quality Status Report to assess air quality and Middlesbrough had never had to declare a breach of any of the

objectives set nationally. Middlesbrough continued to meet all the national standards for air quality and it was always the intention to ensure that the air was as clean as it could be. It was noted that the World Health Organisation (WHO) had set stricter standards that stipulated that there was no safe level of air pollution.

The Panel were shown updated graphs of various pollutants and it was highlighted that the general trend of pollution was downwards, which reflected efforts carried out locally and nationally to reduce air pollution. Nationally there was a focus on reducing vehicle emissions, implementing greener transport schemes, power generation and greater fuel efficiency. There was a drive to increase the use of ultra low emission vehicles and build the required infrastructure to enable that development. Locally, there were various Tees Valley Combined Authority projects including an Integrated Transport Strategy and work was ongoing on producing a South Tees Clean Air Quality Strategy.

The Panel was also shown some data in graph form relating to air quality during the lockdown in 2020 due to the Covid-19 pandemic. Overall there was a 30% improvement in air quality throughout the period that traffic was restricted. It was clear that reducing the amount of transport had a considerable positive effect on air quality.

Reference was made to previous Government intervention when Middlesbrough was required to carry out monitoring in relation to NO₂ exceedences at two points on the A66 running through the town. Middlesbrough carried out some intensive work including an ANPR study and was able to establish that the NO₂ levels were not in fact exceeding the national requirements. The work carried out looked at actual evidence rather than just relying on modelling. Middlesbrough was not currently under any requirements from the Government as air quality was good. Consideration would only be given to a Clean Air Zone if the NO₂ levels were exceeding permitted levels and that type of strategy would have to be balanced against the potential impact on the economic viability of the town.

Concern was raised in relation to wood burning stoves and it was explained that stoves needed to meet Department for Environment, Food and Rural Affairs (DEFRA) requirements. Information was available on the Council's website to help people purchase the appropriate type of stove.

On behalf of the Panel, the Chair thanked the Officers for attending.

AGREED that the information provided was received and noted.

3 **MIDDLESBROUGH REGENERATION POST COVID-19 SCRUTINY REVIEW**

The Head of Economic Growth, Town Centre Manager and the Towns Fund Co-ordinator, were in attendance to provide an overview of the Future High Street and the Towns Fund Bids as an introduction to the Panel's Review of Middlesbrough Regeneration Post Covid-19.

In late summer 2019 an opportunity arose for town centres that were suffering slow decline to apply to a competitive process from the Government. Middlesbrough submitted an initial expression of interest to the Future High Streets Fund. The programme nationally was worth £3.6 billion and included the Towns Fund as a national programme. The Future High Street Fund was a discreet competitive process on its own. Approximately one hundred towns had been invited to develop a business case on how their town centre could be transformed in light of changes in the sector, the increase in online purchasing and changing uses in the town centre environment in general.

Since 2019, the outbreak of the Covid-19 pandemic had exacerbated many of the issues town centres were already facing. However, the general principle of the Future High Street Fund was to encourage towns to invest on a structural rather than cosmetic basis, in terms of how the purpose of the town centre would function in future. Whilst retail would always form a large component of what happened in town centres it was under distress in terms of the costs of maintaining a physical presence in the town centre compared to online retailers.

The way consumers lived and worked in town centres had changed over the last 20 years and

the rise of out of town shopping centres and commercial parks and slowly drained away from the town centre. Consumers were now more engaged by an experience led economy, where they could go out and shop, eat and visit a cinema or see a theatre show as part of an all-day event.

Middlesbrough currently had a vast oversupply of retail floor space of around 1.1 million square feet, within the definitions provided by the sector specialists. That retail space was spread over four disparate owners, and was fragmented in its ownership across the town. Whilst this was good for tenants, a long-term consequence of competitive rents was that landlords and owners could not invest because they were not making the required income from tenants.

There was a national push to bring residential offers into town centres and planning regulations had been adopted to allow for ease of conversion of retail units. There was a focus on bringing a new workforce with disposable income into the town centre environment. The average worker coming into the town centre spent approximately £20 per day.

Middlesbrough's bid was based on the Town Centre Strategy that was developed late on in 2018/19. Urban living in the town centre, curtilage and immediate environs of the centre formed a large part of the bid. This would drive in immediate footfall in terms of the residents and enliven the area, as well as providing an element of passive surveillance, which would reduce anti-social behaviour and crime in the long term.

The bid had also considered infrastructure: how cycle routes, bus superstops and Covid-19 network adaptations such as pavement widening, could be incorporated. Other measures included improved security and CCTV in car parks and along connecting routes and some modern automated features like the contactless car parking and pay on exit.

The main part of Middlesbrough's bid was focussed on converting some of the retail floor space into a leisure-dominated facility. The Council had recently acquired the Captain Cook Shopping Centre and the House of Fraser building for the purpose of long term intervention in the market, the restriction of the supply of retail floor space and to encourage a dedicated and focussed leisure hub at the centre Middlesbrough, as a way to drive up footfall and sustain the existing retail environment.

Some retailers had expressed interest in re-sizing or re-leasing but were looking for smaller units. With a vacancy rate across the town of approximately 18% in retail floor space, this approach would help to reduce the amount of vacancies in the town. This in turn would lead to a healthier environment, stabilise rents in the long term, and encourage owners to re-invest in their properties and ultimately halt the long-term decline of the town centre.

Since submitting the initial expression of interest, the effect of Covid-19 and the restrictions that had been placed on the leisure and hospitality trades had had to be reflected in the plans. Sector specialists were confident that these markets would return as restrictions eased over time and the virus was controlled. There was a three-year timescale for delivery of the Future High Streets Fund and the timing of a new leisure hub was not at odds with the cycle of the pandemic. People still wanted an experience-led economy and there was a lot of interest from service providers in the leisure sector to be part of this hub in the longer term. In general terms, Middlesbrough was well under-represented in terms of hospitality and leisure as a proportion of its footfall and its demographic and scale. Ten percent of the town centre floor space was dedicated to leisure and those activities, and the industry norm was about 20% of a town centre.

Another part of the strategy was investment in experiences. This was a wide-ranging ambition which aimed to give more people more reasons to be in central Middlesbrough and in the town centre specifically. Consideration was being given as to how a range of community services, cultural events and amenities could be integrated into the high street environment when the national conditions allowed. Also, how vacant properties in the street scene could be animated to ensure people had visual stimulus and a pleasant experience, rather than just coming to an area to be transactional, or for work or retail.

Finally, the programme had been adapted to look at direct intervention with businesses and existing retailers and any new retailers, for Covid-19 mitigation and preparedness. Businesses were keen to invest in the area but with the experience of Covid-19 and any future pandemic, there needed to be built-in resilience to ensure businesses were best structured and physically configured to be able to trade safely through any period of lockdown. A grant programme was being proposed which would be matched by businesses to enable them to make a long-term investment at a time when they would not necessarily have the cash flow to enable them to do that.

In total the bid was an ask of government of £20.5 million from the Future High Streets Fund and with leverage, other investments, and Council investment, in terms of the acquisition of the Captain Cook Shopping Centre and House of Fraser, this could lead to a programme worth over £140 million in total. That co-investment would form the basis of the long-term future of the town centre and help to draw in other services, other commercial properties and functions. Centre Square lettings were in progress and when that footfall arrived it would be extremely well received in the town centre. The presence of the Northern School of Arts in the town centre and the expansion of Middlesbrough College would also assist in giving the future economy the best possible chance of succeeding.

The focus was on a relatively tight high street area, which was defined locally, and was around the Captain Cook Shopping Centre feeding into the Linthorpe Road area and then picking up the House of Fraser area, so the vast majority of investment would fall within that boundary. With the urban living agenda and the options there, there was a 300 to 400 metre radius which was the area of influence at which those housing developments would drive footfall for the area.

As the Future High Street Fund was a competitive bidding process, Middlesbrough might not receive the full £20.5 million. Middlesbrough's bid was about changing the dynamics of the economy in the longer term and leading the way in terms of proof of concept for urban living products that there was not yet an established market for in the centre. Building on past experience, the public sector could prime the market and then allow private market forces to intervene, so that there was not a cycle of continuous public investment. The bid was formally submitted in July 2020 and it was hoped that the result would be known by the end of November.

It was suggested that a masterplan should be drawn up of all the initiatives and plans for town centre including cycle and public transport routes. It was confirmed that the Town Centre Strategy was being refreshed to show visually how developments across Middlesbrough were benefitting the town centre. Middlesbrough was a small, compact, highly dense authority and the town centre was the engine room.

It was clarified that the Captain Cook Shopping Centre and House of Fraser had been acquired by Middlesbrough Council as going concerns and were being managed by a company as part of a legacy agreement. The Business Case forecast a falling rent over the next 12 months to 2 years but the Council was satisfied that, assuming no other intervention, there was plenty of headroom in terms of the investment versus income. The bid that had been submitted was scalable and could be prioritised in line with the amount of money that was made available.

In relation to the House of Fraser building, it was acknowledged that it had a very particular configuration and it did not lend itself to conversion as it was a period building and protected by local planning laws. It was an iconic building and should have a fitting use. Similarly, it was also a gateway to the new quarter. Reference was made to a period building in Manchester called the Mackie Mayor which was a period building converted into a multi-unit artisan kitchen. The footplate of the House of Fraser building could potentially lend itself to something similar. Although the layout was awkward it was part of the charm and beauty of that building. It could also potentially be used for civic functions or as a base to provide other public services.

In terms of the Council's letting strategy, a concern was raised in relation to the number of fast food takeaways already operating in the town centre. It was highlighted that units in the

Captain Cook Shopping Centre were considered to be prime rents, which would hopefully attract national retailers rather than some of the lower grade uses.

It was also highlighted that Middlesbrough needed to improve its family friendly offer to enable families to enjoy a family activity and then have a meal or see a show. A Member urged caution in relation to the potential for increased traffic flow into the town centre which could in turn lead to more pollution and suggested that features such as a park and ride facility should be explored.

The Towns Fund was announced at approximately the same time as the Future High Streets Fund in 2019. The Towns Fund was a much broader and town-wide approach in terms of how local decision-making and the involvement of communities could influence investment in those areas that were of importance to the local economy and for local people.

Middlesbrough had been invited to bid for up to £25 million and had already received an advance settlement of £1 million which had been diverted immediately to delivery of the Boho Site. The advance settlement had to be spent by the end of this calendar year and the Boho Site was the only project ready to move forward.

There were five main themes in the Towns Fund: Transport and Connectivity, Urban Communities and Placemaking, the Middlesbrough Experience, Building a Knowledge Economy and Enterprise Infrastructure.

Transport and Connectivity was about making sure that people could get to and from where they needed to be within Middlesbrough. The Middlesbrough Experience was about making Middlesbrough the key destination in the Tees Valley. The Knowledge Economy involved engaging with Teesside University, Middlesbrough College and other training providers and education institutions. Enterprise Infrastructure was about building meaningful and long term employment in central Middlesbrough and making a thriving commercial environment.

The Towns Fund was also heavily predicated on the community and meeting community needs and a large part of the fund would be diverted to community uses and facilities. The Council was also keen to encourage local decision-making and participatory budgeting. This would involve people at ward level, stakeholders, and community, addressing issues of immediate local importance, with a budget of up to £50,000 per ward.

In total, contributions to the community infrastructure would be approximately £4 million of the programme. This would be used to improve the civic environment and how people engaged with the civic side, particularly the town hall, and also libraries, and some civic services could be incorporated into them as well. The Council was also looking at some of Middlesbrough's historic assets including the Captain Cook Pub and the Old Town Hall in Middlehaven. The old Town Hall was a jewel in the crown of the Authority's historic environment but was currently in a state of disrepair. A recent government scheme called #Mytown had picked up a lot of community interest and some good suggestions for community improvements.

With regard to Transport and Connectivity projects, infrastructure projects such as the Rail Station were currently being progressed on a Tees Valley basis. However, the Towns Fund would pick up issues such as pavement widening, cycle ways and bus routes.

The urban living and the place making agenda involved bringing urban and town centre areas together and making them into communities. There were a range of sites that could be brought together and it was about connecting them and making them areas to enjoy. So areas could be intertwined with green spaces, urban environments, spaces to breathe, to enable that urban density but also to improve people's wellbeing and mental health.

In terms of Building the Knowledge Economy, Middlesbrough College had ambition for the Middlehaven estate and was also looking to secure a town centre presence and bring some of the educational uses into an urban setting. The Council was working with the College on how to retain and attract more talent. The Council also worked closely with Teesside University although there was no financial ask from them from the Towns Fund.

In relation to Enterprise Infrastructure there was match funding available for conversion and restoration of some of the historic buildings around the Rail Station in addition to approximately £1 million funding secured from the Heritage Action Zone Fund. There was also the issue of connecting the Boho Campus to the town centre and the new school which would be built at Middlehaven.

Based on the success of those developments or how that market progressed there was potential for future expansions of commercial property in the Boho and Centre Square areas. Leases were progressing well on the Centre Square site and at TeesAMP, notwithstanding the Covid-19 pandemic. Both sites were ahead of their business cases in terms of their occupation.

The initial bid to the Towns Fund was submitted in July and the Council was waiting to hear back from Government during the next couple of months. A more detailed business case would be drawn up and a consultation phase prior to delivery, which was likely to commence in 2021.

A Town Deal Board had been established and included both Middlesbrough MPs, the Tees Valley Mayor, the Mayor of Middlesbrough, the Vice Chancellor of Teesside University, the Chief Executive of Middlesbrough College and stakeholders, business leaders and partners from across Middlesbrough and the Tees Valley. Their role was to agree a Town Investment Plan that would be relevant whether or not the funding was allocated. The Plan would detail how the economy would be reshaped, where investments would be targeted as a Local Authority, through third parties and as Tees Valley investors, to achieve common aims by 2030.

The Towns Deal Board would also have several themed groups and ultimately would be the decision making body to steer the investment of the Towns Deal funding and any other future private investment or funding that came along to align it. The minutes of all Board meetings were public and available online.

Regarding community engagement, potentially Community Councils could deliver the funding since most Councillors would be involved in those Forums. However, the Head of Economic Growth was keen to liaise with Councillors on the best way to engage with them and their communities to ensure participation. One suggestion was to have geographically based clusters: central, west, east and south, and have open forums where ward members could discuss local priorities with Council involvement. Another suggestion was that one such ward-based initiative could be the provision of superfast broadband. It was also noted that the Health Scrutiny Panel would be looking at inclusive growth and alignment of town centre regeneration and health goals as part of their work programme.

On behalf of the Panel, the Chair thanked the Officers for attending.

AGREED that the information provided was received and noted.

4 **REVIEW OF TEESSIDE CREMATORIUM - DRAFT FINAL REPORT**

A copy of the Draft Final Report on Teesside Crematorium had been circulated with the agenda. Draft conclusions and recommendations had been circulated to Panel Members prior to the meeting.

An additional recommendation was suggested and agreed at the meeting in relation to car parking provision at Teesside Crematorium.

The Democratic Services Officer agreed to add the additional recommendation to the Final Report and circulate the wording to Panel Members via email for information.

AGREED that the:

1. information provided, and amendments agreed at the meeting, would be incorporated into the final version of the report.

2. following conclusions were approved:

- TERM OF REFERENCE A - To explore the service offered by Middlesbrough Council and recent improvements at Teesside Crematorium.

Services offered at Teesside Crematorium are broadly comparable with those offered at Stockton and Kirkleatham Memorial Park and Crematorium. The Panel did note however, that one service not currently offered by Teesside is Direct Cremation.

An extensive refurbishment programme has been carried out at Teesside Crematorium over the past few years which includes internal and external improvements to St Bede's and St Hilda's Chapels, the Chapel of Rest, the landscape around the Crematorium and also the drainage at the back of the site. These improvements have greatly enhanced Teesside Crematorium and the setting and services it provides for residents and non-residents of Middlesbrough.

Ninety car parking spaces are available on site and there are disabled parking spaces approximately 25 metres from St Hilda's Chapel and 50 metres from St Bede's Chapel. From their own experiences, Panel Members noted that, on occasion, the parking provided is insufficient to meet demand.

- TERM OF REFERENCE B - To examine the service offered by Stockton Council at Stockton Crematorium.

Stockton Crematorium is a brand new state-of-the-art building furnished to a high standard offering similar services to other local crematoria. Additional features include a viewing room into the crematory, removable benches to allow space for wheelchair users, and a voile curtain which is drawn around the catafalque at the close of the service.

The provision of dedicated Chapel Attendants, live webcast and music are all included in Stockton's offer and are also available at Teesside and Kirkleatham.

- TERM OF REFERENCE C - To investigate the potential financial impact of recently opened Crematoria at Kirkleatham and Stockton on Teesside Crematorium and any mitigation required.

Between 2008 and 2019 there has been a reduction of approximately 1200 cremations at Teesside Crematorium. There was a year-on-year reduction of 28 cremations in October 2019, and 88 in December 2019. £490,000 has been allocated in the Council's Medium Term Financial Plan for 2020/2021 by way of mitigation for potential loss of income. However, due to the current and ongoing Coronavirus Pandemic, it is not possible to make an accurate conclusion in relation to this term of reference.

3. Following recommendations were approved:

- A) A six-monthly update on income and any mitigation required should be provided to the Scrutiny Panel until further notice.
- B) The potential for Teesside Crematorium to offer a Direct Cremation Service should be explored.
- C) The possibility of voile curtains being installed around the catafalques in St Bede's and St Hilda's Chapels should be explored.
- D) Car parking arrangements should be reviewed to ascertain whether further spaces could be made available and whether the disabled parking spaces could be re-located nearer to the Chapel entrances.

4. The Final Report on Teesside Crematorium would be submitted to the Overview and Scrutiny Board for consideration.

5 OVERVIEW AND SCRUTINY BOARD UPDATE

The Vice Chair provided a verbal update on items considered at the Overview and Scrutiny

Board meeting held on 1 October 2020.

6 **DATE OF NEXT MEETING - WEDNESDAY 18 NOVEMBER 2020 AT 10.30 AM**

The next meeting of the Economic Development, Environment and Infrastructure Scrutiny Panel would be held at 10.30 am on Wednesday 18 November 2020.