

EXECUTIVE MEMBER REPORT TO COUNCIL

EXECUTIVE MEMBER: REGENERATION – COUNCILLOR THEO FURNESS

DATE OF MEETING: 27/03/2024

The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.

Executive Decisions made

Levelling Up Funding

14 February 2024 Executive meeting

Package of projects to be delivered through Levelling Up Partnership capital funding. Middlesbrough was identified in the Spring Budget of 2023 as one of 20 Levelling up Partnership areas; based on deprivation indices. Each area was to receive enhanced capital funding support of up to £20.816m to invest in initiatives which would impact some of the most pervasive and pernicious issues which limit the life chances of Middlesbrough residents. Following a desktop exercise conducted by the Department of Levelling Up, Housing and Communities (DLUHC), internal and external stakeholders were engaged to identify the most pressing issues facing Middlesbrough and develop a deliverable package of interventions. Below is a table of projects and the investment amounts.

Project	Indicative Spend Profile		
	2023 – 2024 £m	2024 – 2025 £m	Total £m
Live Well Centre Relocation	0.500	3.500	4.000
Live Well East	0.500	0.650	1.150
New Employment Hub in Cleveland Shopping Centre	0.200	1.050	1.250
Middlesbrough College improvements	2.200	0.000	2.200
Middlesbrough College expansion (purchase of 100 Russell Street)	3.700	0.000	3.700
Family Hubs facilities	0.000	1.100	1.100*
Crime and ASB improvements	0.400	1.500	1.900
House of Fraser refurbishment pilot	0.500	1.500	2.000
Playzones	0.000	0.125	0.125*
The Junction	0.500	0.500	1.000*
The International Centre	0.000	0.250	0.250*
Increase Temporary Accommodation stock	1.400	0.741	2.141
	10.000	10.9166	20.816

Democratic Services

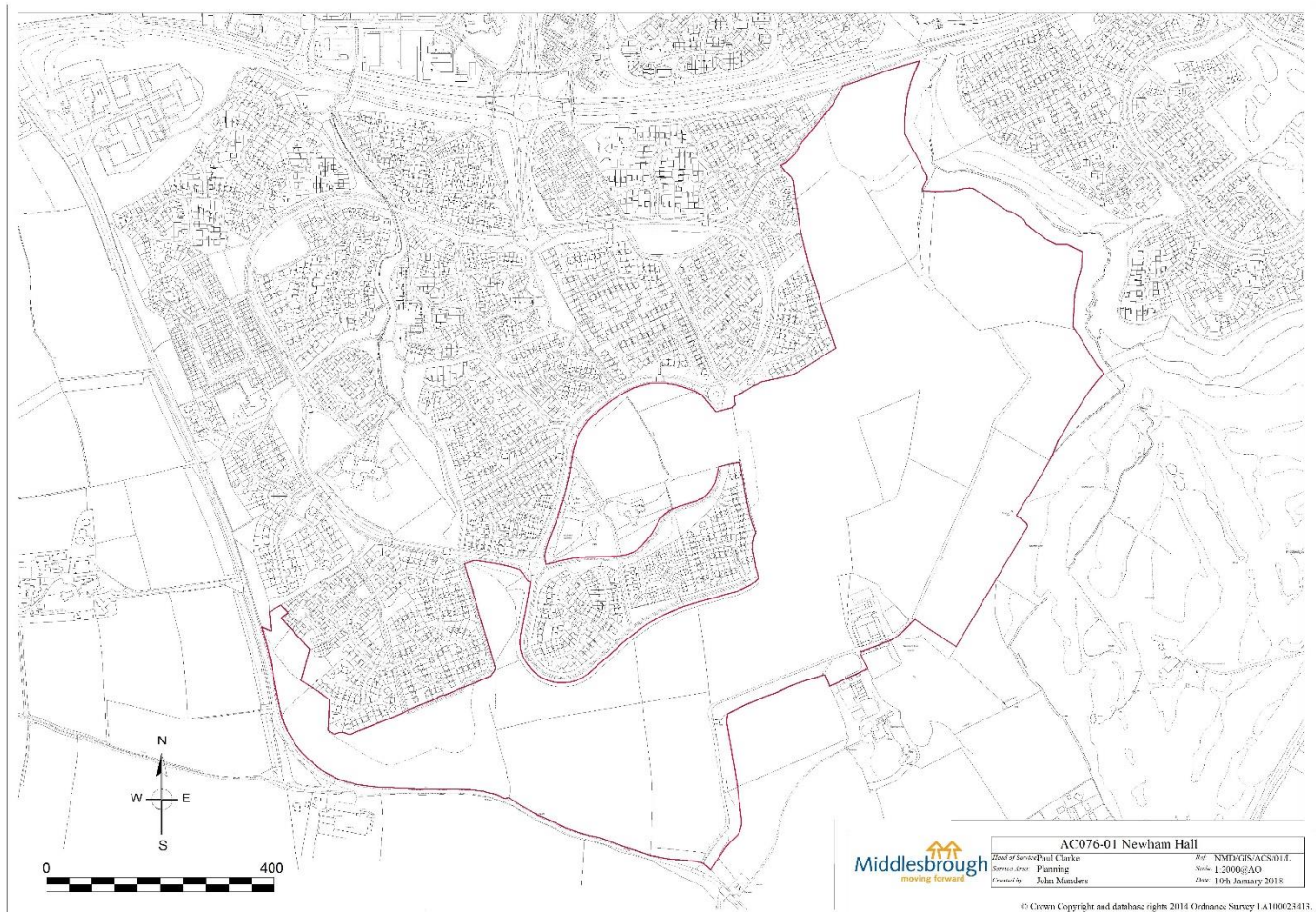
Middlesbrough Council, Town Hall, Middlesbrough TS1 9FX
middlesbrough.gov.uk

Newham hall

We approved the approach of Middlesbrough Council acting as the master developer for the Newham Hall site - being financially responsible for bringing the site forward for phased disposal and marketing without external intervention or support from Homes England;

We will use the Levelling Up Fund 2 (LUF2) and Towns Fund grants, Strategic Highways Section 106 (S106) Funding, other developer contributions and pre-existing Council capital funding of £4.129m dedicated to Housing Growth or other projects already contained within the current capital programme to unlock and derisk the Newham Hall housing site;

We will bring forward an masterplan for the site which will set out the road network and areas of development for around 1000 homes, also within the development we will have a site for a primary school.



Disposal of Property Executive meeting 13/3/24

the Executive approved the sale of two properties previously identified for sale - House of Fraser (Binns Building) and Zetland Car Park.

Sale of the two properties would enable the Council to generate significant capital receipts that would provide critical flexibility in managing the Council's current financial position, and the need to transform.

House of Fraser (37 Linthorpe Road)

The property situated on the prominent Linthorpe Road / Corporation Road crossroads was purchased by the Council in 2020 for £1,000,000 to extend the presence of the retailer in the town centre, and secure control over a major strategic asset in the town's prime retail area.

Redevelopment of the building has been thoroughly explored, but all potential options would require the Council to invest resources significantly beyond those currently available and are therefore undeliverable.

As the holding costs for the building are significant (£100,000 pa) a sale has therefore been sought that enables the following: a. removing the Council's ongoing liability; b. securing a capital receipt; and, c. facilitating investment in the town centre.

The Council instructed two external 'Red Book' valuations from Knight Frank and Algin Property Services, confirming that the current market value for the property is (HoF Valuation - Confidential). This reflects the fall in the market for retail property and the deteriorating condition of the now vacant building. The buyer has also sought a formal 'Red Book' valuation that has confirmed a similar value.

To ensure that the property is not passed on to a third party at a higher price within a short timescale, an appropriate overage agreement will be put in place to protect the Council.

Zetland Car Park

As with House of Fraser, the Council instructed two external 'Red Book' valuations from Knight Frank and Algin Property Services, confirming that the current market value for the property is (Zetland Valuation - Confidential). The buyer has also sought a formal 'Red Book' valuation that has confirmed a similar value. A sale is therefore proposed, with a requirement that it remains in operation as a car park for at least five years.

The costs of operating the car park currently exceed the income secured from parking by £18,983 per year, although this is mitigated by the income achieved through the solar panels situated on the roof (£26,573), giving a small surplus of £7,590 per year. The sale would therefore represent a small loss of income, although any repairs required each year would clearly negate that income if the property was retained.

Draft Local Plan Public Consultation

We concluded the public consultation on the Draft Local Plan on 15th March. The consultation included a series of well-attended public drop-in events and we have received in excess of 2000 responses, which the planning team are now recording and processing. These comments tell us what the residents and businesses think, and we will consider all their responses in amending and finalising the plan, seeking what is best for everyone in the town and its future generations..