



Middlesbrough Development Corporation Board

Date: Wednesday 24th January 2024, 1430.

Venue: Tees Valley Combined Authority (Teesside Airport Business Suite, Teesside International Airport, Darlington, England, DL2 1NJ)

Membership:

Mayor Ben Houchen (Tees Valley Mayor)
Paul Booth (Independent Member)
Mayor Chris Cooke (Middlesbrough Mayor)
Cllr Mieka Smiles (Independent Member)
Idrees Rashid (Independent Member)
Steve Turner (Independent Member)

Associate Membership:

Julie Gilhespie (Group Chief Executive TVCA)
Clive Heaphy (Chief Executive, Middlesbrough Council)

Independent Advisor:

Mark Webster (Chief Constable, Cleveland Police)

AGENDA

- 1. Chairs Welcome & Apologies for Absence**
- 2. Declarations of Interest**
Attached
- 3. Minutes of Previous Meeting**
Attached
- 4. Chair's Update**
Verbal
- 5. Chief Executive's Update**
Attached
- 6. Planning Update**
Attached
- 7. The Auxiliary – Investment Opportunity C**
Attached
Under the terms of paragraph 3 of schedule 12a Local Government Act 1972, the annexes to this report are not for publication
- 8. Project Pipeline Update**
Attached
Under the terms of paragraph 3 of schedule 12a Local Government Act 1972, this report is not for publication

Date and Time of Next Meeting

Wednesday 28th February 2024 at 1300
Mandela Room, Middlesbrough Town Hall



MIDDLESBROUGH DEVELOPMENT CORPORATION BOARD

29th November 2023, 2pm

Mandela Room, Middlesbrough Town Hall, Albert Road, Middlesbrough, TS1 2QJ

These minutes are in draft form until approved at the next Board meeting and are therefore subject to amendments.

UNDER THE TERMS OF PARAGRAPH 3 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 THESE MINUTES ARE CLASSED AS CONFIDENTIAL

<u>ATTENDEES</u>	
<u>Members</u>	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Mayor Chris Cooke	Middlesbrough Mayor (Elected Member of Middlesbrough Council)
Idrees Rashid	Independent Member
Steve Turner	Independent Member
Paul Booth	Independent Member
<u>Associate Members</u>	
Julie Gilhespie	Associate Member
Clive Heaphy	Associate Member
Mark Webster	Independent Advisor
<u>Officers</u>	
Gary Macdonald	Group Director of Finance & Resources
Emma Simson	Acting Chief Legal Officer (Monitoring Officer)
Sarah Brackenborough	Head of Operations
Victoria Pescod	In House Lawyer
Charlie Kemp	Head of Creative Place
Elizabeth Hutchinson	Project Development Manager
<u>Others in Attendance</u>	
Josh Woollard	Nathaniel Lichfield & Partners
<u>Apologies</u>	
Mieka Smiles	Independent Member

MDC 20/23	<p>CHAIR'S WELCOME & APOLOGIES FOR ABSENCE</p> <p>The Chair welcomed Members to the Middlesbrough Development Corporation (MDC) Board meeting.</p> <p>Apologies for absence were submitted as detailed above.</p>
MDC 21/23	<p>DECLARATIONS OF INTEREST</p> <p>Chris Cooke (CC) and Clive Heaphy (CH) declared a non-pecuniary interest in the freehold land discussed as it falls within Middlesbrough Council's boundary.</p>
MDC 22/23	<p>MINUTES OF PREVIOUS MEETING</p> <p>The Minutes of the previous meeting of 20th September 2023 were reviewed and agreed as a true record.</p> <p>RESOLVED that: the Minutes of the previous meeting were agreed as a true record.</p>
MDC 23/23	<p>CHAIR'S UPDATE</p> <p>The Chair advised the Board he had nothing to add that was not covered in the published agenda. The Chair informed the Board that he has submitted a written complaint to the Monitoring Officer, Middlesbrough Council Monitoring Officer and Middlesbrough Council's auditors about CC leaking confidential information about the MDC to a third party in breach of the Members Code of Conduct of both the Middlesbrough Development Corporation and Middlesbrough Council.</p> <p>RESOLVED that: the Board noted the Chair's update.</p>
MDC 24/23	<p>CHIEF EXECUTIVES UPDATE</p> <p>Julie Gilhespie (JG) advised the Board she had nothing to add aside from what is in the paper. JG invited questions from the Board. No questions were received.</p> <p>RESOLVED that: the Board noted the CEO Update.</p>
MDC 25/23	<p>Governance Update</p> <p>Emma Simson (ES) guided the Board through the paper and advised the Board she had nothing to add aside from what is in the paper. ES invited questions from the Board. No questions were received.</p> <p>RESOLVED that: the Board noted the Governance Update.</p>
MDC 26/2023	<p>Planning Update</p> <p>JG advised the Board she had nothing to add aside from what is in the paper. JG invited questions from the Board. No questions were received.</p> <p>RESOLVED that: the Board noted the Planning Update.</p>

THE CHAIR PROPOSED A MOTION TO EXCLUDE THE PRESS & PUBLIC FROM THE FOLLOWING CONFIDENTIAL ITEM UNDER THE TERMS OF PARAGRAPH 3 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972

This was proposed by Paul Booth (PB) and seconded by Steve Turner (ST). The board unanimously approved the exclusion of the public for the confidential items without comment.

<p>MDC 27/23</p>	<p>Approval to Appoint Preferred Development Partner – Gresham</p> <p>Members were provided with a report providing them with an update on the procurement process to appoint a preferred bidder as a development partner for the identified site at Gresham, within the Development Corporation boundary.</p> <p>RESOLVED that: Board unanimously approved the appointment of the development partner.</p>
<p>MDC 28/2023</p>	<p>Confidential Investment Opportunity A</p> <p>Members were provided with an updated report in respect of two potential development partners.</p> <p>RESOLVED that: the Board notes the progress to date and unanimously approves the recommendations within the report.</p>
<p>MDC 29/2023</p>	<p>Project Pipeline Update</p> <p>Members were provided with an update on the Project Pipeline.</p> <p>RESOLVED that: Board noted the update.</p>
	<p>DATE OF NEXT MEETING: Wednesday 24th January 2024.</p>



AGENDA ITEM 5

REPORT TO THE MIDDLESBROUGH DEVELOPMENT CORPORATION BOARD

24TH JANUARY 2024

REPORT OF CHIEF EXECUTIVE

CHIEF EXECUTIVE'S UPDATE

SUMMARY

This report provides an update to the Board on key activity not covered elsewhere on the agenda.

RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board note the update.

DETAIL

Work continues across a range of projects, a confidential update on each of the is included in the confidential update provided later in the meeting.

Gresham

1. Following Board approval of the appointment of the development partner in November 2023, a Pre-Development Services Agreement between Tarras Park Properties Limited and Middlesbrough Development Corporation has been signed.
2. This agrees terms for the first phase of programme development and site master planning for the mixed-use C£120m redevelopment proposal for the Gresham Focus Area. The timescale to provide the site wide masterplan is three months from appointment.
3. The developer shared their developing plan at a workshop with Board members on 13th December. Ideas around the mix of uses for the residential led scheme were discussed, along with the application of Secure by Design and the Design Code to the development. The developer is on track to provide the masterplan



and programme plan for the February Board for approval and decision on next steps.

Tees Valley Investment Zone (TVIZ)

4. Since the last update to MDC Board on TVIZ progress, the Chancellor announced an extension to Investment Zones at the Autumn Statement. The total funding available to each IZ is now £160m over 10 years (commencing April 2024), with an expectation of 60% match coming from private sector, third sector and local government. This funding can be used flexibly, including a five-year tax offer. Places can also receive 100% of the business rates growth in designated sites above an agreed baseline for 25 years.
5. The government published the Investment Zones (IZ) policy prospectus on 15th March 2023. Tees Valley Combined Authority (TVCA) has been identified as one of eight areas (in England) to work with government to co-develop proposals for a Tees Valley Investment Zone (TVIZ).
6. The TVIZ has been proposed by the Tees Valley Mayor and is being developed by TVCA. TVCA is working closely with Teesside University (as significant research institution/co-signatory) on the Tees Valley Investment Zone.
7. IZs are aimed at catalysing a small number of high potential clusters in areas in need of levelling up to boost productivity and growth. They will support the development and growth of clusters to increase local innovation capacity, attract investment and strengthen the private sector.
8. TVCA and TU continue to work with the Department for Levelling Up, Homes and Communities to co-develop the TVIZ. This is structured around a series of 'gateways' broadly covering vision, sector and economic geography, interventions, governance and delivery.
9. The TVIZ is focused on digital and technology as our priority sector, with identified high growth clusters in Middlesbrough, Hartlepool and Teesside International Airport.
10. TVCA is seeking fully flexible spend of the £160m funding plus Business Rate Retention for dedicated sites. Retained Business Rates will be over and above the £160m. Interventions are being developed from the full policy menu which includes infrastructure, skills, business support, planning and R&D.
11. Co-development of the TVIZ with government continues to move at pace and we are broadly in line with other areas in terms of progress against the 'gateways'. However due to the ongoing Independent Review into Teesworks government is not in a position to make formal decisions or announcements on the TVIZ until this has concluded.

Independent Review

12. On 7 June, it was announced that Angie Ridgwell, Chief Executive of Lancashire County Council had been appointed to lead a review into Teesworks following

allegations about the organisation being made by the press and in the Commons.

13. The investigation commenced at the beginning of June, with the panel reviewing TVCA's oversight of STDC and the Teesworks Joint Venture, including consideration of specific allegations made in relation to the Joint Venture, of corruption, illegality and wrongdoing. It is also looking at governance and financial management, reflecting the Government's existing approach to external assurance reviews.
14. In total we have provided more than 700 documents to the panel and have answered more than 185 questions. At this stage, we don't have a date for the publication of the independent review panel's report.
15. The finalisation of the asset transfer process for the Development Corporation will go ahead once the review is complete.

FINANCIAL IMPLICATIONS

16. This report is an update for information only therefore no direct financial implications.

LEGAL IMPLICATIONS

17. This update is for information only therefore there are no direct legal implications.

RISK ASSESSMENT

18. This update is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

19. This update is for information only therefore no further consultation and communication is necessary.

EQUALITY & DIVERSITY

20. This update is for information only therefore it does not impact on groups of people with protected characteristics.

Name of Contact Officer: Julie Gilhespie
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AGENDA ITEM 6

REPORT TO THE MIDDLESBROUGH DEVELOPMENT CORPORATION BOARD

24TH January 2024

REPORT OF THE HEAD OF PLANNING

PLANNING UPDATE

SUMMARY

Responsibility for the determination of planning applications within the Middlesbrough Development Corporation boundary lies with the Middlesbrough Development Corporation [MDC]. In a transitional arrangement, planning functions were initially delivered by Middlesbrough Council, these have since transferred under the responsibility of the MDC appointed Head of Planning with functional delivery provided by Lichfields.

In accordance with the approved Scheme of Delegation, there are no planning applications due to be reported to Board for determination.

RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board note the updated position of planning service delivery and the status of planning applications submitted for consideration.

DETAIL

1. A transition agreement was reached with Middlesbrough Council, whereby it temporarily delivered the planning function on behalf of MDC.
2. Middlesbrough Council are currently managing 14 planning applications on behalf of MDC. It is not anticipated that any of these applications will need to be reported to Board for determination, as required by the approved Scheme of Delegation.
3. Delivery of planning service functions relating to town and country planning and development control within the Middlesbrough Development

Corporation area is now overseen by the Head of Planning with operational services delivered through Lichfields.

4. Since the transition period ended there have been 2 planning applications which have required determination by the Middlesbrough Development Corporation Board, as required by the approved Scheme of Delegation. These 2 applications were approved at Board.
5. 24 planning applications have been submitted to the MDC since the end of the transition period. 11 of these applications have been approved in line with the statutory determination period or within a short and agreed extension of time with the Applicant. The remaining 13 applications are within the statutory determination period, and it is not anticipated that any of the applications will need to be reported to Board for determination, as required by the approved Scheme of Delegation.
6. Local planning authorities in England are required to submit quarterly returns to central government to provide summary information relating to the number and status of planning and related applications in each quarter. Access to complete this process for the Middlesbrough Development Corporation was provided in October 2023 and future quarterly returns have been submitted as required.
7. The Head of Planning has received two communications relating to planning enforcement during the period. One matter has been investigated and no action is required. The final matter has been investigated and it is considered expedient to request that a formal planning application is submitted to regularise the works which have taken place to a listed building. A letter has been sent to the occupier of the building in question.

FINANCIAL IMPLICATIONS

8. There are no financial implications.

LEGAL IMPLICATIONS

9. Planning Powers were conferred on to MDC on 1 June 2023 giving MDC the power to determine planning applications within the redline boundary.

RISK ASSESSMENT

10. This subject matter of this report is categorised as low risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

11. The subject of this report is a matter for MDC Board information only therefore no additional consultation and communication has been undertaken.

EQUALITY & DIVERSITY

12. This report does not impact on groups of people with protected characteristics.

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AGENDA ITEM 7

REPORT TO THE MIDDLESBROUGH DEVELOPMENT CORPORATION BOARD

24TH JANUARY 2024

REPORT OF THE CHIEF EXECUTIVE

The Auxiliary – Development Works Update & Recommendations

SUMMARY

This paper describes the process that has been undertaken to-date to address the issues which have arisen in an externally developed project which aims to significantly enhance a key asset within the Station Quarter Focus Area of the MDC Masterplan - The Auxiliary art gallery and creative workspace.

Prior to the development of the MDC Masterplan, the project had secured £975,000 of funding from the DCMS Cultural Development Fund to improve the building as a flagship space for arts and enterprise. The project aims to provide the organisation, its studio users & visiting audiences with a flexible but robust, low energy building with a diversity of spaces and uses. It will widen the scope of creative and commercial opportunities, whilst also ensuring that these facilities continue to flourish sustainably in the future, providing the artistic community and expanding cultural sector in Middlesbrough with high quality spaces in a supportive environment for creative enterprise and education.

However, due to inflationary pressures in the construction industry, the secured budget is no longer sufficient to deliver the scheme and significant compromises will need to be made unless further funding is found.

At the July 2023 meeting, the MDC Board were advised a 'downgraded' project might not achieve the vision and objectives for the focus area, as set out in the Masterplan. The board agreed to ringfence up to £1m to ensure that the project can be delivered to a standard which meets these intentions – as a first phase of area development – and instructed TVCA Officers to work with the owners of The Auxiliary and officers from Middlesbrough Council to develop a range of schematic options and undertake a procurement process to determine the optimum scheme for the greatest value for money.

Please note, the procurement process is still 'live' with all bids having been received and assessed but a final decision pending the outcome of the Board's discussion. Annex A, which details the recommended scheme, is therefore confidential to protect commercially sensitive information.

RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board:

- i. Approved the selection of Scheme C;
- ii. Approves the recommendations made in Annex A.

DETAIL

1. The Station Quarter Focus Area aims to improve the important train station gateway to the town, the underutilised corridor from Exchange Square past the Station Gateway, Zetland Road through to Marsh Road and includes space under the A66 and Wilson Street.
2. The area is perceived as a physical barrier to movement throughout the MDC area and the masterplan identifies an intention to create a new purpose for the Station Quarter, increase footfall and safety to better link Middlehaven with the rest of the town. The following vision statement is provided in the document:

Drawing inspiration from the heritage of Exchange Square and Zetland Road and the creativity of The Auxiliary art gallery and creative workspace, the Station Quarter will become a vibrant place for creative enterprise, where people want to spend more time. Public spaces will be improved to enable journeys to be made on foot safely. A mix of homes and workspaces will bring a diverse community to the area, attracted by the excellent connectivity to the station, business networks and leisure uses, integrated green space will provide important social and well-being infrastructure for residents and visitors.

3. As referenced in the vision statement, The Auxiliary art gallery and creative workspace is a cornerstone of this focus area and has inspired the sense of creative potential that has been recommended in the approach to development. With funding from the Cultural Development Fund, the owners of The Auxiliary developed plans to significantly upgrade the building in order to enable:
 - a. Improvements to the building exterior and its aesthetic impact in the location.
 - b. the addition of affordable and flexible studio spaces of varying scale.
 - c. the consolidation of a dedicated gallery space for both regional and international exhibitions.
 - d. the creation of a social space for gathering and community discourse that will allow further engagement with the Auxiliary and the creative sector.
 - e. improved venue accessibility through the addition of accessible toilets and lift and levelling of floors.

- f. enhanced green performance of the building to enable energy efficiency, including the full insulation of the masonry building which is currently unheated.
4. These improvements / additions are considered to be essential in ensuring the long-term sustainability of the asset; creating opportunities for local communities; ensuring its offer to local creative professionals is of high quality; diversifying the business model and supporting business sustainability; and, establishing the asset as a flagship cultural facility with profile beyond the region.
5. However, the successful realisation of this project is at risk due to increased costs of materials and labour resulting from the inflationary pressures within the construction industry. Funding secured through Cultural Development Fund, The Auxiliary's own resources and Middlesbrough Council, is now considered highly unlikely to meet the costs of the architect-designed scheme.
6. If the scheme were to be significantly compromised, there is potential for it to undermine the ambitions and objectives of the Station Quarter Focus Area, as set out in the masterplan, and for this reason, in July 2023, the Board agreed to ringfence up to £1m of MDC Development Funds in order for:
 - Alternative schemes to be developed with three variations in total, each enabling a different degree of building enhancement.
 - A more complex procurement process to be undertaken, requiring bidders to present methodologies and price quotations for each of the schemes
 - A cost/benefit analysis to be undertaken by a panel (comprising officers from Tees Valley Combined Authority, Middlesbrough Council and The Auxiliary) to identify the optimal scheme and associated budgets
 - A recommendation to be brought to the January 2024 MDC Board meeting as to any additional investment which may be required in order to ensure delivery of building enhancements to most successfully meet the principles and priorities of the focus area within the masterplan.
7. Middlesbrough Council, as recipients of the cultural development fund, led the procurement process, following its established practice. Four eligible bids were received and were assessed for their technical quality by one of the directors from The Auxiliary and officers from Middlesbrough Council and Combined Authority. Pricing was assessed separately by other Middlesbrough Council officers using a set formula, with a final combined score being allocated to each of the four bids.

Options Appraisal

8. The three schemes which have been developed each go some way to improving the viability of the building as a shared workspace, although the extent to which

this will be both realised and sustainable varies significantly between the schemes.

Options Appraisal

9. Scheme A key features are as follows:

- The exterior of the building remains largely unchanged. The steel side of the building will receive a specialist paint coat and an internal insulation solution will be added. On the masonry side of the building, minor repairs to the façade will be made alongside rudimentary repairs to the roof to stop leaks. A basic external render will be applied, albeit with low insulation properties – the property will remain cold and damp.
- The steel building will benefit from the addition of a mezzanine floor which is suitable to let for open plan 'studio' use.
- The gallery space will be extended, however there will be no public toilet provision hampering the potential for public events.
- The scheme will not address the extensive leakages on the ground floor of the masonry building (along the back wall) – this makes the space unsuitable for renting in the winter.
- The studios in the upper floor of the masonry building will remain the same. They will not improve in warmth or lighting (lack of natural light).
- The scheme delivers two different standards of rentable studio space and it is unclear how these can effectively be reflected through a pricing system.
- The scheme does not address any challenges with the accessibility of the venue – the upper floor workspaces will not be available to people with physical access needs.
- The scheme does not diversify the existing offer of the building or create new opportunities for community engagement / use.

10. Scheme B key features are as follows:

- The exterior of the masonry side of the building will be improved with a recladding of the roof and walls, making the building watertight and offering an enhanced aesthetic in the Focus Area. The building will still be one of two halves, with the improved masonry building exterior sitting alongside a painted steel frame.
- For both sides of the building, improved electrical services will be delivered including new power & heating (electric radiators), data, security and access. On the masonry side of the building, these improvements will be made a ground floor level only.
- The steel side of the building will be upgraded to include the mezzanine floor which will deliver open plan studio space.
- The gallery space will be extended, however there will be no public toilet provision hampering the potential for public events.
- In the masonry building, the quality of studio space will be improved as a result of the building now being better insulated.

- On the lower floor of the masonry building, internal renovations will open up the space creating potential for events but the floor will not be levelled, meaning that access issues will persist.
- Access issues elsewhere in the building will remain.

11. Scheme C key features are as follows:

- The entirety of the exterior will be reclad with a recladding system which increases the thermal performances of the building. The unified exterior will improve the quality aesthetic of the building within the focus area. New windows and glass doors will be included at ground floor level, improving the sense of connectivity between the building and the neighbouring outside space. This will also improve the observation capability of the building, contributing to the sense of 'visibility' in the Focus Area – an important factor in recommendations for 'designing out crime'.
- A cavity drain will be added to the back wall to address the existing issue of damp, caused by the building being positioned directly against the railway bank.
- Air Source Heat Pumps will be added to improve the efficiency and environmental impact of the building.
- Additional skylights will be added to the upper floor of the masonry building, improving the light quality of the lettable studio spaces.
- The building will become fully accessible through the introduction of two new lifts and the levelling of flooring across the ground floor. This means that all workspaces and event spaces will be accessible by people with physical access requirements. New accessible toilets for public use will be added – this is not provided for within either of the other schemes.
- Through the stripping out, levelling and insulating of the ground floor, a new, large social space will be created and improved ventilation and security added. Storage provision will enable the storing of equipment and event infrastructure. The space will have the potential to be programmed and marketed year-round, creating a new income source and delivering new opportunities for local communities and visiting audiences. The space also creates new partnership opportunities for The Auxiliary, such as a new relationship with Middlesbrough College which will support students on the music course, reflecting the expansion of the venue as a multi-artform facility.

Strategic Assessment

12. The table below assesses each of the schemes against the strategic objectives and qualitative considerations as described in the MDC Masterplan.

	Analysis of strategic fit with masterplan	Scheme A	Scheme B	Scheme C
1.	Does the project focus on one or more of the Focus Areas?			
2.	To what extent does the project reflect the ambitions of the masterplan?			
2 a.	Building 1,500 new homes by delivering new, high-quality town centre neighbourhoods, which provide people with a greater choice and quality of housing.			
2 b.	Attracting up to 4,000 new jobs - specifically more diverse and higher value jobs - to build a thriving regional hub.			
2 c.	Creating a Middlesbrough to be proud of through interventions which attract people to our town through the creation of better streets, spaces, and places where people want to spend time.			
2 d.	Putting skills, learning and innovation at the heart of the town			
3.	To what extent does the project create impacts for Middlesbrough?			
4.	To what extent does the project create impacts for the wider Tees Valley?			
5.	To what extent does the project enhance town-centre connectivity?			
6.	To what extent does the project have the potential to enhance town safety / perceptions of safety?			
7.	To what extent has quality of design been considered? Are the needs of users / communities reflected in the design?			
8.	To what extent have environmental impacts been considered? Will the project contribute to objectives of sustainability and decarbonisation?			
8 a.	Will the project bring new life to an existing building?			
8 b.	Does the project provide opportunities for creation / enhancement of green space?			
9.	To what extent will the project build-on / enhance existing investment?			
10 .	To what extent will the project diversify use of space within the town centre?			
11 .	To what extent will the project support resident business growth?			
12 .	To what extent will the project deliver exemplary workspace?			
13 .	To what extent will the project create a proposition for the student population?			

14	To what extent will the project create opportunities for university collaboration, influence or partnership?			
15	To what extent does the project respond to local demand?			
16	Focus Area Specific: Create a diverse new community of businesses and residents based around the creative industries.			

13. The table identifies significantly greater strategic alignment between Scheme C and the Masterplan. This reflects the improved quality, accessibility and functionality of the building for the benefit of both occupying tenants and visiting communities / audiences. It is considered that Scheme C will enable the building and its occupants to play a more impactful role in the future of the Focus Area.

14. The assessment panel undertook further analysis to determine a recommended approach which achieves the most effective enhancement of the building, in-line with the objectives of the MDC Masterplan, for the best value for money.

FINANCIAL IMPLICATIONS

15. The MDC has £10m allocated by TVCA Cabinet from the TVCA Investment Plan, of which £1m has been ringfenced to enable the successful delivery of this project.

16. As the procurement process will not conclude until after a decision has been reached by the MDC Board, the attached annex – which provides further detail of financial implications – is confidential.

LEGAL IMPLICATIONS

17. A subsidy control statement will be required from the MDC and Middlesbrough Council.

RISK ASSESSMENT

18. The project will progress to some degree without MDC investment but, without the inclusion of the enhancements detailed above, risk is created in terms of potential loss of impact within a strategic focus area and the longer-term sustainability of the organisation for its tenants and beneficiaries.

19. As significant match has already been raised, demonstrating wider confidence in the venture from respected bodies, investment from the MDC to enhance project scope and values is considered appropriate to mitigate the risks identified above.

CONSULTATION & COMMUNICATION

20. TVCA has engaged with partners at Middlesbrough Council, Arts Council England and members of Middlesbrough Culture Partnership to be assured of the strategic significance of the proposed project enhancements.
21. The tender followed the Open Procedure and was advertised on the government's Find a Tender Service. The advert linked to the NEOP Portal, where all information and tender documents were made available to all suppliers who expressed interest. The NEPO Portal is provided free to suppliers wishing to submit bids.
22. Prior to this, Middlesbrough Council undertook extensive engagement with Middlesbrough Culture Partnership, Teesside University and other sector stakeholders to determine that this project be of appropriate significance for inclusion in the Culture Development Fund bid.
23. The details of the successful Culture Development Fund bid, including the plans for the improvement of The Auxiliary building, received regional and national coverage at the time of announcement in March 2022.

EQUALITY & DIVERSITY

24. Building accessibility was a core consideration in the development of the initial building improvement scheme and has also been a consideration in the development of the recommended approach. Enhancing the accessibility of the building and diversifying its offer is considered to be a key factor in the potential for engage creative professionals and audiences from a wider range of backgrounds and mitigating barriers to engagement.

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