



MIDDLESBROUGH DEVELOPMENT CORPORATION BOARD

Wednesday, 24 January at 2.30pm

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

<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
Paul Booth	Independent Member
<u>Associate Members</u>	
Julie Gilhespie	Associate Member
<u>Officers</u>	
Gary Macdonald	Group Director of Finance & Resources
Emma Simson	Acting Chief Legal Officer (Monitoring Officer)
Sarah Brackenborough	Head of Operations
Charlie Kemp	Head of Creative Place
Amy Jiggins	Governance Officer
<u>Others in Attendance</u>	
Josh Woollard	Nathaniel Lichfield and Partners
Neil Westwick	Nathaniel Lichfield and Partners
Justine Matchett	Nathaniel Lichfield and Partners
<u>Apologies</u>	
Mark Webster	Independent Advisor
Steve Turner	Independent Member
Mieka Smiles	Independent Member
Clive Heaphy	Associate Member

MDC 30/23	<p>CHAIR'S WELCOME AND 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 31/23	<p>DECLARATIONS OF INTEREST</p> <p>Chris Cooke (CC) declared a non-pecuniary interest on the basis that Middlesbrough Council was fund holder for part of the Auxiliary project.</p>
MDC 32/23	<p>MINUTES OF PREVIOUS MEETING</p> <p>The minutes of the meeting of 29 November 2023 were approved as a correct record.</p> <p>RESOLVED: That the minutes of the meeting held on 29 November 2023 were approved as a correct record.</p>
MDC 33/23	<p>CHAIR'S UPDATE</p> <p>The Chair advised that he had nothing to add that was not covered elsewhere in the agenda. Questions and comments were invited from the Board. No questions or comments were received on this occasion.</p> <p>RESOLVED: That the Board noted the Chair's update.</p>
MDC 34/23	<p>CHIEF EXECUTIVE'S UPDATE</p> <p>Julie Gilhespie (JG) advised the Board she had nothing further to add. Questions and comments were invited from the Board. No questions or comments were received on this occasion.</p> <p>RESOLVED: That the Board noted the Chief Executive's Update.</p>
MDC 35/23	<p>PLANNING UPDATE</p> <p>The Chair confirmed that no relevant planning applications had been received since the November 2023 MDC Board meeting.</p> <p>RESOLVED: That the Board noted the Planning Update.</p>
MDC 36/23	<p>THE AUXILIARY – INVESTMENT OPPORTUNITY C</p> <p>JG presented the Auxiliary report. Members were reminded by the Chair that any discussion regarding the detail contained within the confidential annex was not to be discussed in public as the procurement process had not yet concluded.</p>

At this point the Board discussed whether it was necessary for part of the meeting to be held in private session under the terms of paragraph 3 of schedule 12a Local Government Act 1972 (information relating to the financial or business affairs of any particular person (including the authority holding that information)). On the basis that the main report was public and only the annex contained exempt information, the Board agreed to remain in public session. Members considered that if there was specific information contained within the annex that needed to be discussed then the Board had the option to consider a motion to move into private session. On this occasion the Board did not consider it was necessary for any part of the item to be considered in private session.

JG explained that the station quarter was a key focus area which was perceived to be a physical barrier between the central and Middlehaven areas; it needs to become a gateway sitting alongside the digital sector and link to the Northern School of Art. The vision was to transform the Auxiliary into flexible studio space for artists to rent and enhance opportunities for the NSA. Students who graduated from the NSA could then build their career as artists from the Auxiliary area. The first two proposals A and B did not deliver additional value, whereas the third option C did. The aim was to attract a more diverse arts community. The scheme was a Middlesbrough Council scheme, utilising Arts Council Funding awarded to the Council, so MDC would be providing a grant to Middlesbrough to deliver the works. The update paper provided to the Board resolved confusion on how much the council had already spent as the original numbers were incorrect.

Scheme C was the only one that brought additionality and fundamentally transformed the look and use of the building as it has full accessibility throughout for artists and visitors alike, including levelling floors, lifts, and an overall more useable space. Scheme C also lends itself to the building becoming more operationally and environmentally sustainable. Community groups, event organisers etc. could use the space more readily throughout the year. Currently there was no heating and structural issues, meaning it can only be used as a public space in a limited capacity.


CC reiterated that the exterior was a key part, and the third scheme was the most transformative in terms of the external impressions.

JG reminded members that the procurement was still subject to due diligence, being carried out by Middlesbrough Council, and therefore if the conclusion of this process led to an increase in costs, then this decision would need to come back to the board.

The Chair added that there may be other ways to help Middlesbrough in terms of resolving cost issues.

Idrees Rashid (IR) IR asked whether all the schemes had the same brief as the first two as A and B were very different to C.

Charlie Kemp (CK) responded that when the funds were secured, Scheme C was the only option. Due to inflation affecting the construction sector, the

	<p>scheme had been reviewed and presented in different ways to accommodate a range of budgets. If no further income was forthcoming, Scheme A was the only one that was achievable. Scheme B did not add much more than Scheme A. Scheme C was the one that addressed the significance of the building in context of the Masterplan but did require additional resource.</p> <p>The Chair agreed Scheme C was much more strategic from a development corporation point of view. The station upgrades and upgrades to the whole area were much more in keeping with what the masterplan was trying to achieve for the area.</p> <p>RESOLVED: That the Board notes the progress to date and unanimously approves the recommendations within the report for Scheme C.</p>
<p>MDC 37/2023</p>	<p>Project Pipeline Update</p> <p>Project Pipeline Update</p> <p>Members were provided with an update on the Project Pipeline.</p> <p>The Chair stated that since the Board agreed the confidential proposal for the Civic Centre building at the Board meeting on 29 November 2023, the Middlesbrough Town Deal Board had since reallocated £2m of Town Deal Funds allocated to this proposal and that as a result the proposal was now unviable. CC noted that Middlesbrough had submitted a change request to government for the Town Deal Funds and that he would investigate this. CC said some aspects of the change request were unlikely to be deliverable and he thought he would be able to reallocate the £2m back to the project.</p> <p>The Chair asked JG to pick up this issue with CC.</p> <p>PB sought clarification how this affected the timeline and how long was the potential delay. The Chair estimated the current delay was just over a month but would increase day by day if the funding gap was not resolved quickly.</p> <p>PB asked whether there was the creation of an underpass in relation to the area around the Northern School of Art (NSA). JG explained that reference was to an existing underpass near to the NSA. The key question was whether the industrial park businesses could be moved elsewhere to open up the area around the underpass to minimise security concerns. The Chair emphasised that it was important to note that the Police Chief Constable was an advisor to the Board to address these types of issues.</p> <p>The Chair recommended that there were areas of the project pipeline that linked to the masterplan and should be publicly discussed and therefore requested that the report be split into a public paper with any confidential information in an annex in future.</p> <p>RESOLVED: That the Board noted the update.</p>
	<p>DATE OF NEXT MEETING:</p>

	Wednesday, 28 February 2024.
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