

EXPLANATORY MEMORANDUM TO
THE MIDDLESBROUGH DEVELOPMENT CORPORATION (ESTABLISHMENT)
ORDER 2023

2023 No. 103

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Levelling Up, Housing and Communities and is laid before Parliament by Command of His Majesty.

2. Purpose of the instrument

2.1 This Order establishes a mayoral development corporation (“the corporation”) named the “Middlesbrough Development Corporation”.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Extent and Territorial Application

4.1 The extent of this instrument is England and Wales.

4.2 The territorial application of this instrument is England.

5. European Convention on Human Rights

5.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

6. Legislative Context

6.1 The Tees Valley Combined Authority (Functions) Order 2017 (“the 2017 Order”)¹ confers onto the Tees Valley Combined Authority (“the combined authority”), functions of the Mayor of London related to the designation of areas to establish mayoral development corporations in the area of the combined authority. The 2017 Order modifies these functions and provides that these are to be exercised by the mayor of the combined authority (“the Mayor”).

6.2 Under section 197(1) of the Localism Act 2011 (“the 2011 Act”), as modified by the 2017 Order, the mayor is given the power to designate any area of land in the combined authority as a mayoral development area, provided:

- the Mayor considers that this is expedient for furthering economic development and regeneration in the combined authority area;
- the Mayor has consulted the statutory consultees as well as others whom the Mayor has considered it appropriate to consult and has had regard to any comments made by these consultees;

¹ <http://www.legislation.gov.uk/ukxi/2017/250/contents/made>

- the Mayor publishes a statement giving reasons if they disagree with and do not accept the comments made by any of the statutory consultees, and
 - the Mayor has laid a document before the combined authority, stating that the Mayor proposes to designate an area as a mayoral development area, and a period of 21 days has elapsed without the combined authority rejecting the proposal.
- 6.3 Section 198 of the 2011 Act requires the Secretary of State to make an Order establishing a corporation for this area and giving it the powers that have been requested if notified by the Mayor that a mayoral development area has been designated. The Secretary of State is also required to give the corporation the name proposed by the Mayor.

7. Policy background

What is being done and why?

- 7.1 The Government and local leaders in the combined authority announced a devolution deal for the area in October 2015². The Government, working with the local area, has made progress with implementing the commitments in the devolution deal. The devolution deal included the commitment for the directly elected mayor to hold the powers from the 2011 Act to designate mayoral development areas.
- 7.2 The combined authority was established on 1 April 2016.³ On 19 July 2016 the position of mayor was established for the combined authority and he is using the powers granted to him through the devolution deal as set out in the Order that established the combined authority.
- 7.3 In May 2022 the combined authority stated that it intended to establish a mayoral development corporation that would cover Middlesbrough town centre which would provide an unprecedented opportunity to define the place, its purpose, ambition, values and target market. The combined authority said that its establishment would give the region the tools to speed up delivery of what is needed to build strong foundations, attract private investment, people and businesses, while enhancing the town for residents and visitors.
- 7.4 Taking forward this work is of economic importance to the local area, and the Mayor, Ben Houchen, agrees that a mayoral development corporation is necessary. The Mayor has followed the procedures set out in the 2011 Act, as modified by the 2017 Order, and has notified the Secretary of State for Levelling Up, Housing and Communities of the area to be included within the Corporation and what it is to be called..
- 7.5 The Order therefore establishes a corporation for the town centre area of Middlesbrough. The corporation's boundary is depicted on the map that accompanies this Order and which is attached as an annex to this Explanatory Memorandum. The principal objective of the corporation will be to take strategic leadership in furthering economic development and regeneration of the area.

² <https://www.gov.uk/government/publications/tees-valley-devolution-deal>

³ <http://www.legislation.gov.uk/ukxi/2016/449/contents/made>

8. European Union Withdrawal and Future Relationship

8.1 This instrument does not relate to withdrawal from the European Union or trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

9.1 This instrument is not an amending instrument therefore no consolidation is necessary.

10. Consultation outcome

10.1 In accordance with section 197 of the 2011 Act, as modified by the 2017 Order, the Mayor consulted on the proposed corporation. The consultation took place between 23 June and 4 August 2022 and the questions covered the establishment of the corporation and its boundaries and the potential this had to support the economic regeneration of Middlesbrough.

10.2 The statutory consultees were the combined authority, Middlesbrough Council and the Members of Parliament whose constituencies are in the council's area. The Mayor also published a consultation on the combined authority's website which invited responses to the proposal from all interested parties including residents, businesses, and local stakeholders.

10.3 Full details of the consultation are available on the combined authority's website:

<https://teesvalley-ca.gov.uk/mdc-consultations/>

10.4 A total of 52 responses were received to the consultation – 44 to the online survey and 8 direct responses. The responses to the key questions posed were as follows:

- 79% of the respondents agreed that a corporation would support the economic regeneration of Middlesbrough by accelerating growth, but some respondents commented that more information is needed and emphasised the need for transparency in decision making.
- 72% of respondents thought the boundary is appropriate but made some suggestions for other areas to be included within the boundary. Specific proposals were made to amend the boundary to include Middlesbrough Football Club and Thirteen Housing's Community focus zone and these were accepted.

11. Guidance

11.1 No guidance is required for this Order.

12. Impact

12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

12.2 In relation to the public sector, this Order will have minimal impact. It establishes a new body and any costs relating to its establishment will be met by the Tees Valley Combined Authority.

12.3 A full Impact Assessment has not been prepared for this instrument because it has no, or no significant impact on the business sector.

13. Regulating small business

13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

- 14.1 The approach to monitoring of this legislation is as set out in Section 215 of the 2011 Act which requires the mayor to review from time to time whether a development corporation should continue to exist.
- 14.2 The instrument does not include a statutory review clause.

15. Contact

- 15.1 Kathy Billington at the Department for Levelling Up, Housing and Communities, Kathy.Billington@levellingup.gov.uk can be contacted with any queries regarding the instrument.
- 15.2 Paul Rowsell, Deputy Director and Head of the Governance Reform and Democracy Unit, at the Department for Levelling Up, Housing and Communities can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Dehenna Davison, Minister for Levelling Up at the Department for Levelling Up, Housing and Communities can confirm that this Explanatory Memorandum meets the required standard.

Map referred to by The Middlesbrough Development Corporation (Establishment) Order 2023

Map referred to by The Middlesbrough Development Corporation (Establishment) Order 2023. Signed by a member of the Department for Levelling Up, Housing and Communities Senior Civil Service.

 Middlesbrough Development Corporation Boundary

Signature
P. Rowzell
Date 26 January 2023

