

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....4th January 2007

1. Title of Item/Report

Billingham Forum

2. Record of the Decision

Members were provided with a position statement regarding the regeneration of Billingham Forum Complex. In particular the statement highlighted the options for comprehensive refurbishment / redevelopment and associated consultation analysis, and continuing operational issues affecting the Complex.

Cabinet was reminded that the condition of the complex was extremely fragile. Given the frailty and condition of the structure, services and fabric of the building, and the desire to keep it fully operational and open for use, extensive monitoring arrangements had been put in place to mitigate Health and Safety issues.

Since 1980 £4.4 million (at current day costs) had been spent on improvements and repairs to the complex. However, given its age and construction type, many components were collectively reaching the end of their natural life. Recent difficulties including electrical problems, issues with the roof and structural damage all reflected the increasing difficulty maintaining the building as a safe and reliable operational venue.

Following winter 2006, the condition of the building would be reassessed and further surveys completed. However, there was a risk that failure of plant, equipment or structure could occur within the next 12 months. Whilst this risk was currently being managed, it remained a serious concern.

In parallel with the development of a refined PFI credit bid submission officers have therefore been investigating contingency options in case the PFI bid was unsuccessful.

This analysis of options was an urgent piece of work and a report would be taken to Cabinet in summer 2007 (after the comprehensive spending review and Department of Culture, Media and Sport (DCMS) position

statement regarding the availability of PFI credits) with detailed, costed information and recommendations.

In 2005, Stockton Council applied to the DCMS for PFI credits with a view to refurbishing the facility.

PFI was a way of funding long term public sector contracts such as schools, hospitals and leisure facilities, which involved a significant capital expenditure component. The capital monies would be provided by Central Government in the form of PFI 'credits' to the Council. The Council would then procure a private sector contractor to carry out the redeveloped Forum scheme and the credits would be paid over the period of the PFI scheme.

The Council's 2005 PFI application was unsuccessful but overall, the feedback was considered to be positive and DCMS had encouraged the Council to refine the bid to enable a resubmission

Since June 2006, the Council had been working in conjunction with The Billingham Partnership (TBP) to prepare a refined bid submission for Government funding to access resources for redeveloping leisure facilities. The bid included the provision of all current facilities and the incorporation of Roseberry library and a customer service centre. This bid addressed the weaknesses and built upon the strengths of the 2005 PFI credit bid submission. In particular, a full market appraisal and soft marketing testing had been conducted, the strategic rationale had been properly highlighted and the management and separation of contracts had been addressed.

Furthermore, community support had been properly evidenced following an extensive consultation exercise which resulted in an overwhelming level of public support for the submission of a (PFI) bid to Government for the redevelopment of the Forum. In all, 3,001 responses to the consultation were received with approximately 98% of these in support of submitting a bid to Government. An executive summary of the consultation results was provided for Members information.

On 10th November 2006, officers attended a meeting in London with DCMS to seek further information regarding their progress in securing Treasury funding for a 2007 PFI scheme. DCMS informed officers that they were negotiating with the Treasury as part of a comprehensive spending review currently underway but that there were no guarantees of a 2007 round of PFI credits. It was anticipated that any potential funding would be lower than the 2005 offer, mainly as a result of national pressures particularly within DCMS. Given the timescales involved with a PFI it was highly unlikely that, subject to support, scheme construction

would commence on site before 2009. This would be considered alongside the frailty of the building.

Following the feedback from DCMS and work completed to date, officers felt that submission of the Government (PFI) bid may best secure the opportunity for redevelopment of the Forum Complex. However, due to the timescales and uncertainty regarding PFI credits involved it was suggested that a more detailed investigation of the alternative options be carried out with a report back to Cabinet in summer 2007.

RESOLVED that

1. the submission of an outline Private Finance Initiative (PFI) bid to the Department of Culture, Media and Sport (DCMS) incorporating a comprehensive redevelopment of the Forum Complex be supported.
2. the consultation results carried out to ascertain the level of community support for a refined bid to Government to redevelop Billingham Forum be noted.
3. that a more detailed report be prepared for Cabinet before any PFI Stage 2 (outline business case) submission.
4. the condition and frailty of the Forum structure be noted and a further report be brought to Cabinet in summer 2007

3. Reasons for the Decision

To enable the progression of proposals to secure funding to facilitate a redevelopment of Billingham Forum.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

Not Applicable

7. Date and Time by which Call In must be executed

By no later than midnight on Friday 12th January 2007

Proper Officer  
08 September 2007