

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

01 OCTOBER 2009

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Regeneration and Transport – Lead Cabinet Member – Councillor R Cook

BILLINGHAM TOWN CENTRE - PROGRESS UPDATE

1. Summary

This report provides a formal update regarding the masterplanning for Billingham Town Centre regeneration.

2. Recommendations

It is recommended that Cabinet notes the content of this report.

3. Reasons for the Recommendations/Decision(s)

Billingham Town Centre is a key Town Centre in the Borough. It is vital that a proposal for regeneration is decided upon, and that public consultation is undertaken in relation to it.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same

purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;

- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

CABINET DECISION

Regeneration and Transport – Lead Cabinet Member – Councillor R Cook

BILLINGHAM TOWN CENTRE - PROGRESS UPDATE

SUMMARY

This report provides a formal update regarding the masterplanning for Billingham Town Centre regeneration.

RECOMMENDATION

It is recommended that Cabinet notes the content of this report.

BACKGROUND

1. In January 2007, Cabinet agreed to sell the freehold of Billingham Town Centre, and Kingsway car parks, to Halladale (now Stockland UK) to enable a major redevelopment and reinvestment of the town centre. The sale signified an important step forward, looking to resolve the issues that multiple ownership had posed over the previous years, in bringing about a comprehensive regeneration scheme.
2. As part of the conditions of sale, Stockland was obliged to address several of the top priorities highlighted by the residents and businesses of Billingham in the consultation exercises carried out in 2005 in future masterplans for the Town Centre.
3. Stockland is a developer with a proven track record in regenerating district town centres, with widespread and relevant experience across the country in both new retail development and refurbishment of existing centres.
4. Since the sale, Stockland has been consulting with potential supermarket operators and other national and local retailers and businesses to determine their needs, which are being used to form the basis of their masterplanning exercise. Due to the current economy and market forces; and in particular the property investment climate this process has understandably slowed.

DETAIL

5. In spring this year, Stockland tabled a draft masterplan for discussion with Council officers and both parties have been working together to progress initial proposals and priorities for the Town Centre regeneration. Stockland has advised that these discussions have been

valuable in helping them develop the masterplan and advised there is good scope for improving the retail offer and public realm in the Town Centre.

6. The emerging masterplan is based on a phased approach and its key elements include refurbishing the Town Centre to attract new retailers alongside the creation of new anchors to encourage pedestrian flow throughout the town.
7. In the meantime, Stockland has agreed terms to create a refurbished large retail unit at the former Kwik Save/1 East Precinct/Resource Centre/Town Centre MOT Testing site. Whilst this proposed development is outside the main masterplanning exercise it would improve the linkages between the Forum and the Town Centre. Stockland is currently in negotiations with a national retailer regarding this unit and in order to assist in the regeneration of the Town Centre it has been agreed that this development can come forward as a separate planning application. It is anticipated that Stockland will submit the planning application by the end of December 2009.
8. The draft masterplan is based on the principle of forming a major anchor in part of the West Precinct, which would be suitable for a national foodstore operator. In addition, the existing ASDA unit would be retained (and possibly expanded) and a fourth anchor store would be created opposite the former Kwik Save building.
9. The remainder of the Town Centre would benefit from significant refurbishment to attract new retailers and create an attractive environment. Details of the refurbishment proposals are still under consideration by Stockland, following feedback from officers these may include new cladding, new shop fronts and feature lighting.
10. Stockland is currently holding positive negotiations with several national retailers regarding potential leases of the four anchor stores and also of the existing retail units. Grainger Games has recently opened (47 Queensway) in the Town Centre. Additionally, the Queensway Dental Practice has also taken the opportunity to expand their successful business into former residential flats adjacent to their existing premises and to a substantial area within Crown Buildings opposite their practice.
11. The sale agreement states that the Council and Stockland will endeavour to agree the draft scheme for the regeneration of the Town Centre before 26th July 2009 (being two years from the completion of the sale). However, given the current financial climate Stockland has requested a 9 month extension to agree the draft scheme and officers are currently in the process of agreeing this. This extension would provide Stockland with comfort to finalise the masterplan and for both parties to agree a viable scheme.
12. On 4 September, officers met with Stockland to discuss masterplan progress and it has since been agreed that a consultation / public engagement event will likely be held in November 2009; the planning of which is now underway.
13. During this meeting, officers and Stockland discussed a recent media release from Stockland's parent company regarding Stockland's withdrawal from the UK property markets. The release advised that "in light of the changed market conditions...., Stockland has decided to embark on an orderly sale of assets over the next two to three years. In the meantime, the group will complete projects underway and manage its assets tightly to maximise return."
14. At the meeting, Stockland's Development Director provided a commitment to continue with their proposed regeneration scheme(s), advising officers that it is still their intention to deliver a redevelopment of Billingham Town Centre. It is on this basis that officers, in consultation with the Corporate Directors of Development and Neighbourhood Services, Resources and Law & Democracy; Chief Executive Officer; Cabinet Member for

Regeneration and Transport; and the Leader, will agree the extension to masterplan submission.

15. Since this meeting, a letter has been received by officers from the Managing Director of Stockland advising that "...Stockland will continue to focus on the asset management and development of its existing assets... There is no intention to sell any assets in the current market...Funds remain available to continue to invest in existing balance sheets and joint venture projects. Stockland will also continue to resource and support its existing projects to take them forward... Stockland have a significant investment in Billingham. We are investing significant sums into the redevelopment of the town centre...We are also committing to the community consultation."
16. Council officers continue to work closely with Stockland to ensure that there are no major technical issues upon submission of their masterplan and to ensure that the masterplan acknowledges and builds upon the other Council initiatives around the Town Centre. Namely these initiatives include the £15M enhanced refurbishment of Billingham Forum, due for completion in January 2011 and the £0.5M investment to significantly upgrade John Whitehead Park. Additionally, subject to bid approval, the Town Centre will also be benefiting from a £35M (PFI credits) Integrated Health & Social Care facility.
17. To date, a working group has been formed to address all outstanding highway, urban design and planning issues, which have been highlighted, alongside potential solutions, to Stockland. Key issues that Council officers are working with Stockland to resolve include the provision of sufficient good quality car parking, the need to ensure that there are adequate vehicular and pedestrian routes to the Town Centre and that the current national cycle routes are maintained. Future improvement to public transport provision is also being addressed, alongside the requirement for a new taxi rank and traffic calming.
18. Detailed proposals of the refurbishment materials and (hard and soft) landscaping have also been sought and discussions are being held regarding the Council's anticipated requirements in relation to any potential section 106 agreement. Officers are also keen to ensure the public realm provision outside Billingham Forum reflects both the Town Centre regeneration and improvements to the Forum.
19. In November 2009, Stockland is expected to consult and engage with the people of Billingham regarding their plans, in particular regarding the urban/public realm element of their proposed scheme which will focus on street furniture and materials. A draft consultation action plan has been forwarded to Stockland advising them who to engage with, what mechanisms best to use to consult and a proposed timeline in terms of sequence of consultation. The information hub in the glazed entrance to Billingham Art Gallery, which currently holds progress information on the refurbishment of Billingham Forum, will also be utilised to showcase updates on the Town Centre scheme (plans, timescales, etc) once the masterplan has been agreed.
20. In the meantime, officers are endeavouring to improve the current appearance of the Town Centre by addressing the exterior of some of empty units through 'retail window dressing' in partnership with Stockland. The introduction of generic and bespoke graphics to the local shopping environment could be significantly improved during the pre-regeneration period. Additionally, officers have strongly recommended that Stockland pro-actively promote the Town Centre, its current offer, and new developments with regular press releases to the media and updates to the Billingham Partnership and Town Council as appropriate.

FINANCIAL IMPLICATIONS

21. There are no financial implications to the Council as a result of this report.

LEGAL IMPLICATIONS

22. The Agreement for Sale of Billingham Town Centre provides that should the Draft Scheme for the regeneration of the town centre not be agreed in accordance with the terms of the agreement Stockland will be released from their obligation to regenerate the town centre after 26th January 2010 (the Longstop Date) and will thereafter be obliged to carry out the Cosmetic Restoration Works only. Stockland can seek to suspend the Longstop Date, and have done so in their request to suspend it for 9 months as reported above. Stockland can end that suspension at any time, therefore invoking the Longstop Date

RISK ASSESSMENT

23. The risks are covered within the body of this report.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

24. The Sustainable Community Strategy (Shaping Our Future) for Stockton-on-Tees 2008-2021 sets out the vision and key improvement priorities for the local area. The provision of an enhanced quality of place, including a modern, vibrant and successful Billingham Town Centre is paramount. Town Centres are a vital resource for local communities providing neighbourhood shopping, commerce and leisure opportunities / facilities and the regeneration of Billingham Town Centre would ensure diverse and high quality shopping opportunities.
25. Stockton on Tees Council Plan 2008-2011 sets out directives aimed at helping create a sustainable community in which residents and local organisations play an active role in developing and maintaining their own environment and society. One of its key targets is to revitalise the Borough's Town Centres, ensuring we have vibrant and successful town centres in each of the main communities, Billingham being one.
26. The Regeneration Strategy for Stockton Borough 2007-2012 sets out redevelopment improvements to create a vibrant and successful Billingham Town Centre.

EQUALITIES IMPACT ASSESSMENT

27. This report is not subject to an Equality Impact Assessment since it provides a progress update following the sale of Billingham Town Centre to developers, Stockland.

CONSULTATION INCLUDING WARD/COUNCILLORS

28. Consultation has taken place with relevant stakeholders and will continue through the masterplan development, including consultation and community engagement with (as appropriate) Cabinet Portfolio holders, Billingham Ward Councillors, The Billingham Partnership, Billingham Town Council, and all stakeholder / user groups.

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Background Papers

Reports to Cabinet - January 2007 and September 2007

Ward(s) and Ward Councillors

Billingham Central	Cllr Mrs McCoy and Cllr Woodhouse
Billingham East	Cllr Cunningham and Cllr Stoker
Billingham North	Cllr Leckonby, Cllr Mrs Aggio and Cllr Mrs Apedaile
Billingham South	Cllr Smith and Cllr Mrs O'Donnell
Billingham West	Cllr Womphrey and Cllr Mrs Womphrey
Northern Parishes	Cllr Gardener

Property Implications

Relate directly to Billingham Town Centre.