

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting3rd November 2011

1. Title of Item/Report

Billingham Town Centre Regeneration

2. Record of the Decision

Members considered a report that dealt with issues relating to the regeneration of Billingham Town Centre.

Cabinet was reminded that the Council's freehold interest in Billingham town centre was sold to Halladale UK (now Stockland UK) in July 2007.

A masterplan for the regeneration of the town centre included, amongst other things, provision of a 35,000ft² foodstore in West Precinct, new paving and public realm, new public toilets, new shop unit next to the Police Station, further new shop unit adjacent to Billingham Arms and Billingham Forum and a wide range of measures to improve the appearance of the centre and take measures to reduce the pigeon population.

An agreement was reached between the Council and Stockland UK which covered financial contributions from the Council to Stockland UK, based upon agreed criteria (see preceding paragraph) linked to development progress in the town centre.

It was explained that, in the last twelve months, Stockland UK had secured planning permission for a 16,000ft² foodstore adjacent to the Billingham Arms and Billingham Forum, a new B&M store had opened in 1 East Precinct, creating 40 jobs, planning permission had been granted for the merger and extension of units 27-31 on Queensway to facilitate a Poundland store, due to open in early 2012.

Refurbishment and repair works had taken place to ensure that the spiral ramp, which provided access to first floor shops complied with Health and Safety regulations and the centre remained over 95% let (this figure excluded units in West Precinct which had been kept un-let to facilitate the proposed supermarket development).

These positive developments had been supported by the Council through

£18.5million investment in state of the art leisure facilities at the refurbished Billingham Forum, which opened in June 2011 along with investment in improvements to John Whitehead Park. An options appraisal for delivering a combined customer service facility, library and office accommodation was being carried out, whilst discussions with the PCT were ongoing regarding the inclusion of a health element as part of the scheme.

Despite these positive developments, Stockland UK had been unable to secure a supermarket operator in West Precinct. As a result of this, Stockland UK recently approached the Council to re-negotiate terms within the existing sale agreement that would enable a meaningful development scheme to go ahead in the town centre in the absence of a major foodstore.

During recent discussions with Stockland UK involving senior Council officers and Billingham Ward Members it was acknowledged that Stockland UK had committed significant time and resources in attempting to secure a supermarket operator and there was an acceptance that none of the major supermarket operators were prepared to develop a store in this location.

The commitment from both parties, to take forward a redevelopment scheme in the absence of a foodstore remained. Stockland were in advanced negotiations with a number of non-food retailers who had shown interest in taking up the vacant ground floor units in West Precinct, improving the retail offer and providing a large, non-food anchor store at the Western end of the town centre.

Council officers were taking a proactive role in developing the detail of a redevelopment scheme that would see the release of Council capital alongside investment from Stockland UK enabling redevelopment to be moved forward, beginning in early 2012.

On that basis Council officers would work with Stockland UK to establish a schedule of improvements and redevelopment, and negotiate a level of capital contribution from the Council and Stockland UK. Those negotiations would ultimately culminate in the variation of the existing sale agreement to be approved as recommended.

It was noted that £1.75million had been retained from the capital receipt received from the sale of Billingham Town Centre. Contributions to the revised regeneration scheme would not exceed that amount

RESOLVED that:

1. The commitment of capital resource to support Stockland UK to deliver a redevelopment scheme for Billingham town centre under revisions to the existing sale agreement be approved
2. The Corporate Director of Development and Neighbourhood Services be authorised, in consultation with the Cabinet Member for Regeneration and Transport, Director of Resources and Director of Law and Democracy, to agree the detail of the revised sale agreement and enter into all necessary legal agreements to facilitate the redevelopment scheme.
3. Reasons for the Decision

The regeneration of Billingham town centre was a priority for the Council. Approval of recommendation would enable the Council to work alongside Stockland UK in delivering meaningful redevelopment of the town centre to go ahead.
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

Midnight on Friday 11 November 2011

Proper Officer
07 August 2011