

Cabinet

A meeting of Cabinet was held on Thursday, 20th February, 2020.

Present: Cllr Robert Cook (Chair), Cllr Jim Beall, Cllr Nigel Cooke, Cllr Lisa Evans , Cllr Mrs Ann McCoy, Cllr Steve Nelson, Cllr Michael Smith.

Officers: Julie Danks (MD), Beccy Brown, Julie Butcher (HR&L), Garry Cummings, Tony Montague (F&BS), Martin Gray (CHS), Reuben Kench (CL&E), Richard McGuckin (ED&D), Jamie McCann (CS), Ann Workman (AH).

Also in attendance: Councillors Clark, Dixon, Faulks, Gamble, Hall, Riordan and N.Stephenson,O.B.E.

Apologies: None.

CAB 98/19

Declarations of Interest

Each of the Cabinet Members present declared a non-prejudicial interest in respect of agenda item 5 - Medium Term Financial Plan Update and Strategy and had a dispensation regarding any disclosable pecuniary interests they might have as Council Tax payers.

Councillor Nelson declared a pecuniary interest in respect of the same item as he was a Director of Thirteen Group. Councillor Nelson withdrew from the meeting and left the room during consideration of the item.

Councillor Smith declared a personal, non-prejudicial interest in respect of the same item as his employer was referred to within the report.

Councillor Cooke declared a personal, non-prejudicial interest as a non-remunerated member of Tees Music Alliance

Councillors Cook & Cooke each declared a personal, non-prejudicial interest in respect of this item as they had a family member employed by the Council.

RESOLVED that the declarations of interest be noted.

CAB 99/19

Office Accommodation - Outcome of Option Appraisal and Business Case

Further to the conclusions and recommendations arising from the People Select Committee's Review of Smarter Working in Stockton - Accommodation and Buildings which recommended that the Council explore the option to create a single building for office accommodation, Cabinet considered the outcome of a detailed option appraisal and business case for the proposal.

The report summarised the extent, capacity and condition of each of the current buildings within the Council's portfolio, with it being noted that the subsequent condition surveys concluded after the Scrutiny Review confirmed that there was £25m in outstanding maintenance for the ten existing buildings. The report therefore recommended a solution; i.e. the creation of a new single building for office accommodation, which would 'futureproof' the Council's office accommodation, be cheaper than investing in repairs and maintenance and would have a significantly longer life span.

This proposal was also set against the context of considering the reshaping of Stockton Town Centre (considered elsewhere on this agenda) and sought to retain a Council presence in Billingham Town Centre albeit in a smaller building than at present. Existing contact centres in Billingham, Thornaby and Ingleby Barwick would be unaffected by the proposal, whilst the new office accommodation would incorporate Stockton's existing library and customer centre.

It was suggested that development of a new facility in Stockton should at the same time consider the facilities currently within the Town Hall, and in particular the Council Chamber. These were in need of improvement also and therefore should be considered at the same time.

The proposal, if approved, would release the current sites held by the Council for future development and work would therefore be undertaken to explore options which would be considered within the context of the Council's plans and visions for our Town Centres and its commitment to affordable housing.

RESOLVED that:-

1. Cabinet approve the development of new office accommodation for the Council consisting of:

- A main building to be located in Stockton Town Centre;
- A smaller second building to be based in Billingham Town Centre.

2. Cabinet agree to re-direct the £1m per year outlined in the December MTFP update report to fund the maintenance of the current buildings, to fund the Prudential Borrowing or lease costs and that this be included in the 2020/21 Budget Report and MTFP update presented to Council in February 2020.

3. Cabinet agree that officers assess the option of renovating and modernising the Council Chamber and consider incorporating the facilities into the new development.

4. Cabinet agree that work is undertaken to progress options to maximise the value of the current buildings through sale or redevelopment.

5. A further report be presented to Cabinet to agree the final scheme proposals, funding methodology, final financial position, proposals for the Town Hall and current sites.

CAB 100/19 Progress on Reshaping Town Centres - Stockton Town Centre

Cabinet noted the long-held vision for Stockton Town Centre, to provide a vibrant, modern town centre for the future, creating a quality of place through new spaces and one which capitalised on the proximity to the River Tees and riverside.

A summary of past Council investment to achieve this aim was also noted and

proposals were now put forward designed to achieve the next phase of the transformation which included a series of further interventions that would radically transform the Town Centre in line with the overall vision held.

The combination of changing retail trends and oversupply of floorspace within the town centre had created a structural imbalance in the supply of retail floorspace versus demand from potential occupiers. This imbalance is so great that it will not be corrected by market forces; and can only be addressed by undertaking significant structural change through the removal of a vast proportion of retail floorspace down to a more sustainable level which reflects future need and the changing function of retail and town centres in general. The ownership of the two major shopping centres in the town provided the Council with the opportunity to intervene and takes steps to redress the current imbalance and therefore it was proposed to vacate and demolish the Castlegate Centre and Swallow Hotel to enable new investment opportunities, diversified uses in the town centre and improved linkages to the River Tees, riverside and Teesdale. The cost of demolition and remediation of this site was currently estimated at £15m. Undertaking such transformational change would provide a sustainable retail offer that safeguarded the traditional function of the High Street, attracted private investment and increased investor and market confidence through increased footfall and new uses.

Following the demolition outlined above, the cleared site presented a significant and transformational development opportunity to both encourage investment and create a link to the Riverside and River Tees.

It was noted that the Government's Future High Streets Fund (FHSF) was a grant fund to be allocated to local authorities on a competitive basis with the intended aim of providing infrastructure investment to help renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability. The Council had been successful in July 2019 in proceeding to stage two of the application process which required submission of a detailed bid to secure funding.

Cabinet were therefore asked to agree that the strategic objectives of such a bid include delivery of a large scale riverside park incorporating a land bridge spanning the Riverside road, reconnecting the High Street to the river. The riverside park would occupy a prime location within the Town Centre, with views across the riverside and River Tees and towards the historic Town Hall, and would provide much desired high quality green and open space within the Town Centre. It would also incorporate public art features attracting visitors also, as well as providing a space to dwell, meet and relax for visitors. It would also be able to accommodate events and provide an area for leisure use, particularly with connections to the river and riverside.

The investment from FHSF alongside the demolition of the Castlegate Centre and former Swallow Hotel would enable the creation of a circa 2 hectare development site in total straddling the riverside and High Street, and providing opportunities for new commercial development and private investment alongside the riverside park. As part of the bid a number of potential end uses for the site have been explored, in line with the options discussed during public engagement in autumn 2019. High level economic and financial appraisals of these options have been undertaken and a clear vision for the site has emerged to develop the southern end of the site and create new commercial

development adjacent to the proposed park. As indicated in the previous item considered on this agenda regarding Council Office Accommodation, it was proposed that this include the opportunity to link the Council's accommodation needs with the future vision for the Town Centre by incorporating new build offices, library and customer contact centre into the design.

Through funding received as part of the bidding process, the Council had commissioned expert support to develop the bid and whilst it was still being developed in detail, feedback had recently been sought on the principles of the proposals from the Ministry of Housing, Communities and Local Government. Current work estimated the cost of providing the land bridge structure and riverside park would be approximately £21m and this amount would be requested from the FHSF.

If approved by Cabinet, the bid would be further developed in the coming weeks before the final version was submitted in April 2020 with a decision on the fund expected in Summer 2020. It was hoped that the level of national interest that the Council had received recently with visits from MPs from the Housing, Communities and Local Government Select Committee and representatives from the British-Irish Parliamentary Assembly alongside a recent BBC Panorama feature would add to the appeal of the bid.

RESOLVED that:-

1. The vision for Stockton Town Centre, as set out in the report, be endorsed and now include development on the Castlegate site incorporating proposals for a new land bridge to connect to the riverside, new commercial development, the creation of a new riverside park for events and leisure activities and appropriate public art.

2. The reduction of Council-owned retail provision in Stockton Town Centre including the supported relocation of tenants from Castlegate Centre into Wellington Square or other alternative town centre space, be approved.

3. The proposed demolition of the vacated Castlegate Centre and the Swallow Hotel be approved.

4. Cabinet delegate authority to the:-

a. Director of Finance and Business Services to agree the terms to support the relocation of tenants within the town centre;

b. Director of HR, Legal and Communications authority to negotiate and complete the necessary legal documentation;

to give effect to the recommendations above.

5. The £20million, earmarked by the Tees Valley Combined Authority to the Council for Riverside Northshore Development, be allocated to meet costs associated with decant, demolition and clearance of the Castlegate Centre.

6. Cabinet allocate a portion of the southern end of the riverside park site for commercial development and agree that this commercial development area will

include the new central library, customer services centre and office.

7. Cabinet delegate authority for the completion of a bid to the Government's Future High Streets Fund to the Director of Economic Growth and Development in consultation with the Cabinet Member for Regeneration and Housing and Director of Finance and Business Services to support the delivery of the overall vision.

**CAB
101/19** **Medium Term Financial Plan Update and Strategy**

Consideration was given to the final report in setting the Council's 2020/21 Budget and Council Tax and outlining the Medium Term Financial Plan (MTFP) position to 2024. The report also included an update on the financial performance for 2019/20.

The 2019/20 financial position showed an overall improvement from the previous reported position but still showed a projected overspend. The main pressure being in Children in our Care which was a national position and there was significant work ongoing in this area.

The report outlined proposals for setting the 2020/21 budget and the projected MTFP. There remained significant uncertainty around Government funding for 2021 onwards and assumptions and estimates had therefore had to be made. The Provisional and Final Financial Settlements had provided funding allocations for 2020/21 only. This meant that the position for 2021/22 onwards, outlined in the report, needed to be treated with some caution.

Future Government funding was likely to be affected by:

- Government Spending Review
- Fair Funding Review
- Review of Business Rates Retention

Based on the assumptions in the report and subject to decisions on Council Tax levels, it was expected that the Council would have a balanced Budget for 2020/21 and a sustainable Medium Term Financial Plan. Members noted that the Council had a strong track record of prudent financial management and delivering savings early. This had enabled the use of reserves to support a planned and managed approach to addressing the financial challenges and this would continue.

RECOMMENDED TO COUNCIL:-

COUNCIL DECISIONS

1. That in accordance with the Local Government Act 2003, Members note that the Section 151 Officer confirms that the following recommendations:

- a) **represent a robust budget which has been prepared in line with best practice;**
- b) **provide adequate working balances;**

- c) that the controlled reserves and provisions are adequate for their purpose.

General Fund Budget

2. Approve a 2020/21 Council Tax requirement for Stockton-on-Tees Borough Council of £94,210,546.
3. Approve a 2020/21 Council Tax requirement for Stockton-on-Tees Borough Council inclusive of Parish Precepts (£905,908) of £95,116,454.
4. Approve the 2020/21 budget and indicative 2020/24 MTFP as outlined in paragraphs 36-37 and the level of General Fund Balances set out in paragraphs 18-19.

Business Rate Relief System

5. Note the changes introduced in recent Government budgets and the Ministerial Statement of 27 January 2020.

Taxation

SBC

6. Approve the Council Tax for Stockton-on-Tees Borough Council prior to Parish, Fire and Police Precepts be increased by 3.9%, which includes the Government Levy of 2% in respect of Social Care i.e. to £1,650.61 at Band D (£1,100.41 at Band A).

Fire, Police & Parish

7. The Council note the Police precept of £14,870,633 which equates to a Council Tax of £260.54 at Band D (£173.69 at Band A).
8. The Council note the Fire precept of £4,499,317 which equates to a Council Tax of £78.83 at Band D (£52.55 at Band A).
9. The Council note the Parish precepts as set out in paragraph 65 of the budget report.

Capital

10. Approve the Capital Programme attached at Appendix A & B.

Organisational and HR

11. Council approve the Pay Policy Statement at Appendix C.

Members Allowances

12. Approve that Members allowances are frozen for 2020/21. This will mean that these allowances have been frozen since 2013/14.

Council Tax - Statutory Requirements

13. Members approve the statutory requirements for Council Tax as shown in Appendix D.

14. Cabinet recommend to Council that the current Local Council Tax Support Scheme is retained for the financial year 2020/21 (see paragraph 68 of the report).

Capital Strategy

15. Approve the Capital Strategy as set out at Appendix E to the report, including the Flexible Use of Capital Receipts Policy and the MRP Strategy.

Treasury Management/Prudential Code

16. Approve the Treasury Management Strategy as set out in Appendix F to the report.

Investment Strategy

17. Approve the Investment Strategy as set out at Appendix G to the report.

CABINET DECISIONS

18. Cabinet approve and note the Officer Appointments to outside bodies and governing bodies at Appendix C(1).