

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....20th February 2020

1. Title of Item/Report

Progress on Reshaping Town Centres - Stockton Town Centre

2. Record of the Decision

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.

3. Reasons for the Decision

To enable the further transformation of Stockton Town Centre in line with the agreed vision. The report outlines the declining trend in retail which continues nationally and this is cognisant of previous reports to Cabinet. The public consultation carried out in September 2019 gave a clear indication that public engagement showed the need to change town centres to diversify the offer which is critical to their future. The combination of declining retail, the need for the Council to acquire retail assets to take control and public opinion that endorses the new uses in town centres together with the long term ambition to link the river to the High Street require large scale intervention to consolidate retail and create a new riverside park and opportunity for commercial development.

The Government's future high streets fund has also facilitated the opportunity for the Council to accelerate the transformation in achieving these objectives therefore the recommendations are as set out below.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

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

Midnight 28 February 2020

Proper Officer  
24 February 2020