

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....29th July 2021

1. Title of Item/Report

Stockton Town Centre Waterfront Development Masterplan

2. Record of the Decision

Consideration was given to a report, relating to the Stockton Town Centre Waterfront Development Masterplan.

Stockton on Tees Borough Council had a long-term commitment to repurposing its Town Centres and, over the past decade, had strived to ensure that the reliance on retail was better balanced, with a diverse offering, that attracted other business, a mixed economy, and a place for people to live and spend their leisure time. The Council had already achieved some of this with the completion of the Hampton by Hilton Hotel, Globe and there were many examples of private sector investment in the leisure and night-time economy that had emerged, as a result of these interventions.

A decision, by Cabinet, in February 2020, approved the masterplan for Stockton waterfront, that built on the vision and included the demolition of the Castlegate Shopping Centre and the creation of a new urban park and land bridge, connecting the High Street, to the river. Cabinet had received subsequent updates, in October 2020 and February 2021, on the progress towards this.

At the meeting, in February 2020, Cabinet approved the development of new office accommodation for the Council, consisting of a main building, located in Stockton Town Centre, and a smaller, second building, to be based in Billingham Town Centre. The report outlined that the cost would be around £32.3M and the funding for borrowing costs was included in the Medium-Term Financial Plan. This was to supplement the accommodation budget to support prudential borrowing, or alternative funding, through commercial lease, with a further report to Cabinet to finalise financial arrangements.

This report provided an update, to Cabinet, on the Stockton waterfront scheme and sought approval to take advantage of an exciting opportunity, that did not exist previously, to purchase Dunedin House, to

fulfil the Council's accommodation requirements, in Stockton. This opportunity would enable Dunedin House to be refurbished, to a high standard, bringing this largely empty building back into full use. At the time that the work was undertaken to inform the original Cabinet decision, in February 2020, an evaluation of available space on Teesdale had concluded that there was no availability that met the Council's requirements.

Development, on the southern part of the current Castlegate site, remained critical to footfall, within the Town Centre, animating new green spaces and supporting local businesses. The previously approved accommodation report included provision for a new central library and customer services, in effect the Council's front door. Within the revised scheme, set out in this report, a new facility of this nature was proposed, that also could include a new flexible space for civic and public facing business meetings and register office, replacing the ageing, tired current facility.

This opportunity also looked at another of the Council's key assets, in the town centre, namely, Splash, which needed significant investment. Although this was just outside of the timeframe of the current Medium Term Financial Plan, it was in the context of the wider overarching strategy. To add to the scale of development on the waterfront scheme and reduce future maintenance liabilities, a new leisure facility was proposed, to sit alongside the Council's front of house services. The nature of such a combined development would create a real point of destination for access to services, water-based leisure, and green spaces.

The combined delivery of a refurbished Dunedin House, new leisure and front of house services would be funded from the current £32.3M allocation.

In the last report to Cabinet, a commitment to explore private sector investment was made and work had been undertaken, which had led to detailed dialogue with several private development companies, that had shown strong interest.

With the opportunity for new facilities outlined, there was still a significant amount of space available and initial soft market testing had highlighted strong interest, from both the public and private sectors. North Tees and Hartlepool NHS Trust was looking to redevelop the North Tees Hospital site, to achieve a modern clinical offer. A key part of this was to move many non-clinical, administration and some diagnostics services off the hospital site, ultimately facilitating space for the redevelopment of clinical services. The Trust was keen to ensure that any relocated services were

as accessible as possible, for patients and staff alike, and recognised that a town centre location, in Stockton, best achieved this. To that end, advanced discussions continued regarding a new build facility, to accommodate the Trust's needs, on the Stockton waterfront site. If this development was realised, in this way, then it would provide an ideal alignment of health, wellbeing and leisure in a single location. Whilst the Council could lead on these opportunities, it was suggested that it may be more beneficial to look for private sector investment, which could identify further opportunities. It was, therefore, proposed that the procurement of a development partner, be explored, to bring forward this and any wider opportunities.

RESOLVED that:

1. Cabinet approve the acquisition and refurbishment of Dunedin House, as the main office accommodation for the Council, as opposed to building a new facility, and the significant cost saving be noted. Cabinet delegate the final terms of the acquisition, and any subsequent refurbishment or fit out works, to Director of Finance, Development & Business Services and the Director of HR, Legal and Communications.
2. Cabinet approve the principle of the development of a new facility to support customer contact, library, register office and a new flexible space for civic and public facing business meetings and for this to be located on the waterfront development site. (note Cabinet already approved library and customer service centre to be located on this site in February 2020).
3. Cabinet approve the principle of the development of a new leisure facility which would replace the current Splash facility, to the southern end of the waterfront development site.
4. Cabinet note progress made on tenant relocation and pre demolition works of the Castlegate Centre, as set out in paragraphs 30 to 34, and Cabinet approve further support for the relocation and future accommodation needs of current and prospective tenants.
5. responsibility to negotiate and agree the terms of all necessary agreements, enter into contracts to enable the full demolition and redevelopment of the Castlegate site, reconfiguration of existing units at Wellington Square and the final design of the Stockton waterfront development be delegated to the Director of Town Centres Investment, in consultation with the Cabinet Member for Regeneration and Housing.
6. Cabinet approve the procurement of a development partner with private sector funding, if appropriate, to bring forward opportunities for an

element of the site, which could incorporate the health facility, outlined in the report. A subsequent report would be presented, to Cabinet, to determine if this was the most appropriate means of bringing forward further developments.

7. Cabinet agree that the previous approval, to borrow £32.3M, to fund the Council's new office accommodation developments, in Stockton and Billingham Town Centre, be used to fund the acquisition and redevelopment of Dunedin House, office accommodation in Billingham and the delivery of a combined library, customer service, register office and a new flexible space for civic and public facing business meetings, alongside a new leisure facility and the additional relocation costs, as outlined in this report.

8. A further report be presented to Cabinet in respect of the current Splash and Municipal Buildings site, alongside the potential utilisation of the wider current office accommodation facilities. A range of development opportunities would emerge for these sites that supported the Council's growth agenda.

3. Reasons for the Decision

The decisions, set out above, were a consequence of an opportunity that had been presented, allowing a change in focus for the development of the Stockton waterfront site. The report set out a change to the accommodation strategy that provided a more efficient solution and changed the former nature of development on the former Castlegate site, whilst retaining the creation of an urban park, that had previously been approved. The report also described opportunities that existed, with public and private sector partners, and decisions were therefore necessary, that facilitated the introduction of third parties into the development site, controlled by the Council.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Jim Beall declared a personal non prejudicial interest in this item, as he served on the Board of Tees Active Leisure

6. Details of any Dispensations

None

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

Midnight - Friday 6th August 2021

Proper Officer  
02 March 2021