

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET DECISIONS**

**PROFORMA**

Cabinet Meeting.....13 March 2008

1. Title of Item/Report

Thornaby Town Hall: Marketing and Regeneration of the Building

2. Record of the Decision

Consideration was given to a report that outlined indicative proposals submitted to the Council for the future use of Thornaby Town Hall and sought approval for one of the schemes to be worked up in greater detail.

It was advised that, built in 1890-92, Thornaby Town Hall was a brick and stone building on a prominent corner with a clock tower facing west towards Victoria Bridge across the River Tees. Thornaby Town Hall was a Grade II listed building, this also covered numbers 3-5 Mandale Road. It was extensively utilised as the municipal base for the town of Thornaby, however, due to various changes imposed on local government over recent decades the building's use had changed on a number of occasions. The current use of the building was confined to a small number of ground floor offices for the work of Thornaby Town Council.

A decline in use had led to the gradual deterioration of the condition of both the internal and external fabric of the building. To compound this, water ingress through the damaged and failing roof had accelerated the deterioration, affecting the internal condition and its features. At present, the Council was undertaking repair works to parts of the roof to the value of £330,000, funded from SBC capital, to eliminate the ingress of water and stabilise the condition of the building. This work was scheduled for completion by the end of March 2008.

It was advised that over recent years, a number of schemes had been considered for addressing the re-use of Thornaby Town Hall. The most recent full building group scheme was the proposed refurbishment of the Annex buildings (Nos 3, 5, 7 and 9 Mandale Road) and restoration of the Town Hall. The scheme, designed and co-ordinated by Stockton Borough Council, involved re-using the annexes as well as repairs to the roof. The scheme did not proceed, however, as reductions in regional funding packages meant funding could not be secured to a level that would enable full option delivery possible. The Council's approved Capital allocation for the roof works had been honoured to fund the repair works that were currently underway.

It was explained that the basis of the scheme was then looked at in a phased approach. Members were provided with details of the two phases.

Members were advised that discussions with Thornaby Town Council and ward councillors regarding a way forward for the building resulted in the production of a marketing document in early September 2007. This resulted in

SBC inviting expressions of interest from any parties interested in exploring ideas for the future re-use of the building, including the continued presence of Thornaby Town Council and provision for local heritage.

A total of five expressions were received at the end of September 2007. Two of these did not reflect the requirements of the brief. The remaining three were invited to expand on the proposals and submit further details. It was advised that these included:

- The proposed function/s of the building group;
- Target user groups;
- The expected benefits to users and the area;
- Funding – what was secured and where would funds be sourced from;
- Tenure proposals
- Implications regarding the building's listed status

It was advised that three detailed submissions were subsequently received prior to the Christmas 2007 deadline. All three proposed a mix of uses for the building, varying proportionally between business and community uses. The building would re-engage with the community through the provision of access to shared facilities and local heritage. In addition, Thornaby Town Hall would continue to be used as a base for Thornaby Town Council to continue their work on behalf of the residents of Thornaby.

Members were informed that the submissions proposed the following:

- (i) Submission A:  
Through the purchase of the freehold of the building, a mix of community, business & enterprise uses were proposed with allocated display and storage areas for heritage related exhibits, plus office space for Thornaby Town Council was proposed. Possible linkages to education establishments could be made through partnerships and mentoring. The project would be delivered through the formation of a Public / Private Partnership with the Council sourcing appropriate funding to progress the development and implementation of the project that would also include the restoration and renovation of the internal and external fabric of the building.
- (ii) Submission B:  
Through the purchase of the freehold of the building, a mix of community, business & enterprise uses were proposed with generous allocated display and storage areas for heritage related exhibits, plus meeting and conference facilities. Office space for Thornaby Town Council would also be provided. The scheme would restore and refurbish the council chamber and historical aspects of the town hall building, whilst fully refurbishing the terracing elements for office / business incubator usage. The project would look at developing an existing relationship with DigitalCity through the mentoring of digital media, technology and creative business opportunities, thereby expanding their Tees Valley remit. The project would be financed through the developers own resources.

- (iii) Submission C:  
As well as physical display items, the proposal included the development and creation of a “virtual” museum to offer a range of digital tours via flat screen TV’s, overhead projectors, touch screen display units, Personal Digital Assistant (PDA) units. These units would receive information as the holder walked round the facility. Provision for community activities such as meetings, events, performances etc would be made through access to the refurbished and restored council chamber and Town Hall rooms. The terrace element of the building group would contain a café / restaurant, gift shop / visitors centre as well as offices / units for creative media and digital business use. The building would be retained by the Council or come under the governance of a Charitable Trust. It was likely that a management company would be engaged to deliver the project.

Following assessment and analysis of each of the submissions, a number of questions and clarifications were raised. Each party were offered, and took, the opportunity to answer these questions and present their ideas before a project panel made up of officers from Regeneration, Planning and Land and Property.

Each submission was separately assessed and scored. Members were provided with a copy of the assessment matrix outlining the scores for each submission.

It was explained that whilst all submissions presented both general and bespoke benefits, it was recommended to Cabinet that the developer for Submission B be approved as the preferred developer for the following reasons:

- (i) It provided for community, heritage and Town Council needs: Consultation by the developer with Thornaby Town Council and the Heritage Group identified bespoke and general spatial requirements. These requirements had been provided for indicatively in the submission and were allocated within the main Town Hall building. The Town Council would be able to continue their work for the people of Thornaby in a much improved environment.
- (ii) It provided first-time business opportunities: Incubator facilities would allow entrepreneurs to experience and develop business opportunities and ideas with the minimal amount of contractual obligations through easy in easy out leases. The project would look at building on the relationship enjoyed with DigitalCity at one of the developers’ recent projects, through the mentoring of digital media, technology and creative business in Thornaby Town Hall.
- (iii) It could be delivered within an immediate timescale: It was expected to take 3 months to prepare detailed design proposals for consideration. A further period would be required to negotiate Heads of Terms and seek approval, obtain statutory consents etc. Following exchange of contracts for the

sale of the building, work on site could take as little as 9 months to complete to a standard to enable building users to take up residence.

- (iv) It offered least risk to the Council should the proposed scheme falter:  
The developer had indicated that they had the facility to fund the project directly from reserves and agreed borrowing facilities through their bank. On completion of sale of the property, the scheme would not be reliant on further capital or revenue investment from the Council. There would also be no need to access monies from external funding bodies, which recent experience had shown to be difficult to assemble in the amounts required.
- (v) It provided greater delivery guarantees:  
The developer was willing to agree timescales for completion of the process as part of the sale agreement as well as conditions relating to usage by Thornaby Town Council and The Heritage Group.
- (vi) It offered good value for money:  
Funding and timescales considered, the completed project would give a range of uses at a very reasonable cost.
- (vii) It was the most viable option:  
The focus of service and activity provision gave scope for economic and practical viability for delivering objectives in establishing a viable and sustainable long term use for the building.
- (viii) It had great potential for assisting in the wider regeneration of the Mandale Triangle area:  
Once restored and occupied, the building would become a local focal point for regeneration and community pride. It would form a flagship mixed use scheme to form the basis for master planning the Mandale Triangle and surrounding area of Thornaby.

It was noted that the developer had a proven track record in the regeneration of individual buildings to provide viable sustainable futures. Members were provided with brief details and photos of the most relevant to this project.

The requirements of The Heritage Group and Thornaby Town Council had been acknowledged by the developer. Indicative areas were shown on floor layouts for the Thornaby Town Hall building, of which Members were provided with a copy. It was noted that they could, however, be subject to change as the detailed proposals were drawn up.

Subject to Cabinet approval of Submission B, the preferred developer would be asked to submit further details of the scheme for consideration by the Authority. These actions would include:

- (i) Worked up full scheme details.
- (ii) A detailed robust business plan

- (iii) The developer to consult further with Thornaby Town Council and The Heritage Steering Group.
- (iv) Legal documentation to be prepared and agreed;

It was intended to report back to Cabinet on the detailed proposals and associated documentation identified above prior to the sale of the building on an information basis only.

RESOLVED that:-

- 1 the freehold sale of Thornaby Town Hall be agreed in principle and Submission B be endorsed as the preferred developer based on indicative proposals submitted to the Council,
- 2 officers be authorised to invite the preferred developer to work up and agree detailed proposals and business plan based on their indicative proposals for a viable and sustainable scheme that incorporates Thornaby Town Council and Thornaby Heritage Group through an appropriate mechanism,
- 3 the Corporate Director of Resources in consultation with the Corporate Director of Development and Neighbourhood Services, the Director of Law and Democracy and Cabinet Member for Regeneration and Transport be authorised to agree Heads of Terms for the sale to the developer
- 4 the Head of Legal Services be authorised to complete a sale on the terms agreed in accordance with recommendation 3 above and the Council's Scheme of Delegation.

3. Reasons for the Decision

- 1. To find an acceptable and viable use for the building which is sustainable and likely to stimulate further investment in the locality
- 2. To ensure that the spatial requirements of Thornaby Town Council and the Thornaby Heritage Group can be provided within the redeveloped building through an appropriate mechanism.

4. Alternative Options Considered and Rejected

Submission A and Submission C, as detailed in the report.

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Cook declared a personal non prejudicial interest in this item as he was a member of Visit Tees Valley.

6. Details of any Standards Committee Dispensation

Not Applicable

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

**By no later than midnight on Tuesday 25<sup>th</sup> March 2008**

Proper Officer  
D.E.Bond

17<sup>th</sup> March 2008