

Scrutiny Committee

10th April 2008

Response to call-in questions relating to Thornaby Town Hall report of Cabinet meeting of the 13th March 2008.

a) *Proportionality.*

The sale of the Town Hall is disproportionate in the sense that it only caters for developer profit at the tax payers expense and provides an expedient get out for SBC whose dereliction of duty is wholly responsible for the present state of the building and spiralling remedial costs. The sale is also disproportionate in that it does not encompass the spirit of an Act that stipulates community support and empowerment. Proportionality is largely about perception. This sale would appear proportionate to a council wishing to attain 'efficiencies', but massively disproportionate to a community striving for recognition and ownership retention of a building that exemplifies heritage and the physical heart of a community.

1. The recommended proposal would minimise tax payers' expense by bringing the building back into use, removing the need for ongoing repairs and maintenance which would otherwise need to be met from the public purse. In addition, this proposal would result in approximately £101,000 coming into the tax payers' pot as a capital injection. Furthermore, this proposal would see considerable private sector investment which would otherwise need to be found from the public purse to bring the building back into full use
2. The recommended proposal was subject to an extensive list of criteria against which all submitted proposals were considered. These are as follows (included in the Cabinet report):

Operating (community uses and aspirations; viability)
Delivery (restoration of historic features; timescale; ability to deliver; sustainability; delivery guarantees)
Funding (least reliant on public funds; value for money; capital receipt)
Wider aspect (potential for kick starting wider investment in Mandale Triangle)

And therefore clearly not only catering for developer profit.
3. We are not clear which specific Act is being referred to. However, the proposal recommends the provision of community support through the facilities for Thornaby Town Council, and Thornaby Heritage Group, along with accommodation opportunities for new start up businesses and enterprise development for local people.
4. The submitted proposal will refurbish the building, exemplifying heritage and ensuring facilities are retained in the heart of the community. The building proposals provide a physical focus point for both the Heritage Group and Thornaby Town Council, and proposals submitted do not suggest any change to the building name of Thornaby Town Hall. Indeed, it is intended that long term community and Town Council use of the building is protected through legal mechanisms, in the more detailed negotiations at the next stage with the successful developer.

As for viable options, there has been many suggested over the years -i.e. business centre, business incubator units, development of the extension by the private sector with receipts pledged to renovate the main body of the building. Other ideas have abounded -and continue to come forward -but the unholy haste to offload the structure by SBC has never allowed any to establish full potential.

5. Timeline and development options

DATE	DEVELOPMENT OPTION	COMMENTS
2004	Town Hall and terrace elements of building (heritage related)	Withdrawn for further heritage consultation
2006	Town Hall and terrace elements of building (community based activities and business incubator units)	Evolved from the 2004 project, withdrawn due to regional Heritage Lottery Fund budget reductions
2007	Terrace element of building only (business incubator units)	Community representatives expressed their concerns that this project would not fully reflect the needs of the community. Following discussions between the Five Lamps Organisation, Thornaby Town Council, Ward councillors, and Stockton Council, unsecured funding applications were subsequently withdrawn and an agreed marketing process for the building initiated
2007	Town Hall element of building only (community access, museum facilities and training/conference rooms)	Community Asset Fund bid unsuccessful
2007	Marketing Brief produced following Thornaby Town Council's suggestion that the building be marketed in a similar manner to Thornaby Town Centre	5 expressions of interest resulting in 3 detailed submissions

6. A number of the above options were not deemed to be viable as public funding streams were no longer available. Since proposals have been under consideration since 2004 through to 2008 it is not considered an "unholy haste to offload the structure". The building has deteriorated over this time and would continue to do so without further investment. The Council has already committed £330,000 to roof repairs, which are currently underway. In order to minimise costs to the tax payer, a viable proposal is required urgently to prevent further deterioration.

One proposed scheme in particular offered shared ownership with the community. Why was this option not presented to Cabinet? The private developer involved in this offer stated that his aim was to take up the commercial challenge of the Town Hall extension and the surrounding area of the Mandale Triangle and to allow the

community to develop the heritage aspect

7. We assume this refers to Developer A – the proposal was submitted to Cabinet. This was a public private partnership with 100% ownership being transferred to the private developer. Public sector involvement would have been to help access funding streams necessary to gap fund the project costs of the scheme
8. The heritage of the building and the potential to kick start the wider regeneration of Mandale Triangle were indeed intrinsic criteria against which all proposals were considered as set out in Appendix 1 of the Cabinet report.

There are no other proposed schemes of which we are aware.

b) Consultation

There has been no consultation. There have been informal talks with the Thornaby Town Hall Heritage Group and Thornaby Town Council, but public/community consultation simply has not been entered into by either developer or SBC. The suggestion that this sale has been out to consultation or has community support is patently untrue.

9. There has been a range of consultation undertaken during this marketing phase, including Thornaby Heritage Group on 24/9/2008, 25/9/2008 & 5/12/2007 and Thornaby Town Council on 5/12/2007 & 20/2/2008. Stockton News Summer 2007 Edition, which was distributed to all 85,000 households in the Borough, invited the submission of ideas for the re-use of Thornaby Town Hall, whilst the Marketing Brief for the building was sent to 70 different parties inviting expressions of interest in refurbishing the building.
10. At all times, the emphasis has been on the viable sustainable use of the building. SBC have always kept an open mind on the final tenure of the building, with the objective being to achieve the required outcomes as set out in the assessment criteria.
11. As identified in the report there is a requirement of the proposed developer to undertake further consultation to refine the detail with the relevant community groups, whilst at the same time achieving a sustainable and viable project.
12. The Cabinet report did not suggest that the sale of the building has been out to wider consultation, but that the proposed mix of uses has been consulted upon, as mentioned above.

d) Presumption in Favour of Openness

It is our contention, based upon bone fide witness evidence, that decisions are taken prior to Cabinet meetings - i.e. at unrecorded pre Cabinet agenda meetings - and therefore un-accessible to other elected members as well as the public. Also, Cabinet was presented with a report based upon discussions that only officers and developers were party to and which culminated in a deal reached without elected member or public participation. How can such a deal done behind closed doors be regarded as open or fair?

13. We are not aware of any decision being made prior to the Cabinet meeting to consider this report. The report was submitted to Cabinet with a recommendation to endorse Submission B as the preferred developer and this was fully and openly debated at the Cabinet meeting on 13th March 2008. We can only reiterate that no “deal” has been reached or done behind “closed doors”, but consideration of the options was fully debated in an open forum at the Cabinet meeting.
14. The Cabinet report sets out at Appendix 1 all the criteria against which each of the 3 submitted bids were assessed, and appropriate ‘scoring’ levels against each of these factors. The method of bid evaluation is an accepted model of best practice and is fair and open by assessing each proposal against the same criteria.

e) The aims and desired outcome was solely that which appealed to SBC. Cabinet decision was based upon contrived aims and an outcome which was totally unacceptable to both community and tax payer. Aims and outcomes with regard to community benefit? Vague and unspecified. Merely tokenism.

In terms of policy aims, can SBC explain why the built environment (Thornaby Town Hall) wasn't protected for current and future generations?

15. The outcome is a sustainable, viable use of a heritage building as discussed previously. Consideration of the proposals included an assessment of which options would minimise cost to the tax payer and the community. The definitive aims and outcomes of community benefits are still to be established, and once the developer has been approved, discussions will be taken to the next stage to further refine the details.
16. The recommended proposal sets out to sensitively refurbish this important listed building in a way which respects and enhances the historic features for current and future generations. This scheme is viewed as the most sustainable approach to securing immediate refurbishment of a deteriorating building for use by the local community and business sector for years to come.

f) As stated in a) above, one developer proposed shared ownership, but apparently this was never made public and was presumable dismissed. Many other options could and should have been openly pursued. It is also something of a mystery why the building should have been offered at a knockdown price of £101,000, but never offered to anyone representing the community i.e. Heritage Group or Thornaby Town Council. Nor was it put on the market at that knockdown price or freehold sale advertised which would undoubtedly have attracted wider interest. Why? Surely this indicates a fait accompli.

17. As stated previously, the shared ownership proposed was indeed a 100% transfer of ownership to a private developer. This proposal was considered and reported to Cabinet. Other options have been considered (see (a)5 above) prior to the marketing of the building in 2007. The marketing brief explicitly set out the need for provision to be made within all proposals for Thornaby Town Council and The Heritage Group. This was an opportunity for all and everyone to submit proposals. The building has in no way been offered at a knock down price. The 101K was the highest price of any bids submitted.
18. Thornaby Heritage Group were included in the final submissions of bids and they offered no capital value for the building as part of this process.

19. Had the building simply been marketed at a specific price it is likely that this price would not have been achieved and restrictions placed on its uses, including restricted community uses in the future.