Stockton on Tees Borough Council – Decisions taken by the Cabinet on Wednesday 4 November 2026

Agenda Item No	Topic	Decision

Part A – Items considered in public

A4	Billingham Town Centre	**STOCKTON-ON-TEES BOROUGH COUNCIL** **CABINET DECISION** **PROFORMA** Cabinet Meeting ..... 4 November 2026 1. Title of Item/Report Billingham Town Centre 2. Record of the Decision **Consideration of the Report** Cabinet considered a report seeking approval for the acquisition of Billingham Town Centre from its current owner, Sheet Anchor Evolve, for a purchase price of £13 million, together with associated acquisition costs, and approval of related funding, delivery and governance arrangements intended to facilitate the first phase of a wider regeneration programme. The report set out the regeneration case for intervention, the history of earlier negotiations and acquisition proposals, details of the proposed transaction, valuation and financial information, independent professional advice, delivery and funding arrangements, alternative options and the implications associated with both proceeding and not proceeding with the acquisition. **Background and Regeneration Context**

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		Cabinet was advised that Billingham Town Centre had experienced a prolonged period of economic and physical decline characterised by changing retail patterns, underinvestment, property condition issues and loss of commercial vitality. Members were advised that the acquisition proposal formed part of the Council's wider regeneration ambitions for Billingham and sought to provide the Council with greater strategic influence over the future management, development and regeneration of the town centre estate. Cabinet considered the relationship between the town centre and the wider economic, social and environmental objectives identified within the report. Cabinet also considered the history of previous negotiations relating to the site, including an earlier proposal involving partial acquisition which had not progressed to completion. Members considered the circumstances giving rise to the current proposal and the implications of the owner's stated position for future regeneration opportunities. **Acquisition Proposal** Cabinet considered the proposed acquisition of the town centre estate for a purchase price of £13 million together with associated acquisition costs. Members were advised regarding the negotiations undertaken with the current owner, the circumstances surrounding the proposed transaction and the implications associated with delay or failure to complete an acquisition. Cabinet also considered the implications of acquiring a substantial commercial estate

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		and the opportunities and responsibilities which ownership would bring. Members noted that acquisition would involve the Council assuming responsibility for the management and operation of the estate, together with associated maintenance, compliance, investment and asset management obligations. Cabinet considered both the opportunities and risks arising from those responsibilities. **Valuation, Financial and Professional Advice** Cabinet considered the valuation evidence and professional advice obtained in relation to the proposed acquisition. Members were advised that the proposed purchase price exceeded the independent valuation assessment obtained by the Council and recognised that this difference represented a significant factor to be considered when determining whether acquisition should proceed. Cabinet considered the implications of that valuation gap together with the broader strategic and regeneration considerations identified within the report. Cabinet received advice from the Chief Financial Officer, the Director of Corporate Services in his capacity as Monitoring Officer, and the Council's external advisers. Members considered advice from CBRE, CIPFA, DWF and other advisers together with internal financial, legal, regeneration and property assessments. Members noted that the professional advice highlighted a range of financial, commercial and operational risks associated with the acquisition, including

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		matters relating to value for money, future liabilities, ongoing management obligations, future expenditure requirements and uncertainty associated with future regeneration activity. Cabinet also considered the mitigation measures, revised funding arrangements and regeneration opportunities identified within the report. The Chief Financial Officer advised Cabinet regarding affordability, prudence and sustainability and highlighted the distinction between affordability and value for money. Members were advised that affordability alone did not determine whether expenditure represented an appropriate use of public resources and that both matters required consideration as part of Cabinet's decision-making process. The Monitoring Officer advised Cabinet regarding the legal and governance framework applicable to the decision and reminded members that the existence of legal powers to undertake the acquisition did not determine whether acquisition should proceed. Members were advised that the ultimate judgement remained a matter for Cabinet having regard to the evidence, advice and considerations before it. **Funding and Delivery Arrangements** Cabinet considered the proposed funding and delivery arrangements associated with acquisition and implementation of Phase 1 works. Members were advised regarding the allocation of Local Regeneration Fund resources and the proposal to utilise such funding towards acquisition of the asset and delivery of Phase 1 works. Cabinet also considered the relationship

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		between the acquisition proposal and the wider phased regeneration programme described within the report. Cabinet noted that future phases would require further business case development, funding confirmation and formal approval through the Council's governance arrangements. Members were advised that approval of the acquisition did not constitute approval of all future regeneration schemes, expenditure proposals or borrowing decisions and that future proposals would be subject to separate consideration where appropriate. **Alternative Options** Cabinet considered the alternative options identified within the report. These included retaining the existing position, pursuing alternative regeneration interventions without acquisition of the estate and consideration of the potential use of compulsory purchase powers. Members considered the opportunities, limitations, risks, costs, deliverability and timescales associated with each of those approaches. Cabinet also considered the implications associated with the owner's position and the practical consequences of the Council choosing not to proceed with acquisition. **Discussion** During discussion, members explored a range of issues arising from the proposals before Cabinet. Considerable attention was given to the proposed acquisition price and the valuation evidence available to the Council. Members questioned the relationship between the proposed purchase price and the

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		independent valuation assessment, sought clarification regarding the basis upon which the acquisition price had been negotiated, discussed the extent to which acquisition represented value for money having regard to the professional advice before Cabinet and considered issues relating to the Council's Best Value obligations. Members also discussed the implications of the owner's position, the history of previous negotiations and the consequences associated with alternative courses of action. A significant part of the discussion focused upon financial risk and the long-term implications of ownership of the town centre. Members sought clarification regarding repair liabilities, maintenance requirements, future demolition and redevelopment costs, the assumptions underpinning future expenditure forecasts and the extent to which future financial exposure could be identified or quantified. Cabinet considered these matters alongside the due diligence undertaken, the information contained within the report and the advice provided by officers and external advisers. Members also considered the independent professional advice obtained by the Council and the significance of the concerns identified through that work. Discussion addressed issues relating to value for money, affordability, future liabilities, income assumptions and financial risk. Cabinet considered the extent to which those concerns were addressed through the revised funding arrangements, the phased approach to regeneration and the mitigation measures described within the report. The discussion further addressed the wider regeneration programme and the distinction between the acquisition proposal before Cabinet and future phases of regeneration activity. Members sought clarification regarding future funding

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		requirements, the anticipated contribution of external funding, future business case requirements and the circumstances in which additional borrowing might be required. Cabinet was advised that future phases remained subject to further appraisal, funding confirmation and governance processes and that the decision before Cabinet principally related to acquisition of the asset and implementation of the first phase of activity. Alternative approaches were also discussed. Members considered whether regeneration objectives could be achieved through alternative interventions, whether different acquisition approaches remained available and the implications associated with compulsory acquisition. Cabinet considered the relative advantages and disadvantages of the options identified within the report together with their implications for funding, delivery timescales and the Council's ability to influence future development of the town centre. Members also raised questions regarding governance, accountability, future oversight arrangements, the role of external management expertise and the treatment of commercially sensitive information. Cabinet considered the advice of statutory officers regarding governance and future decision-making arrangements and noted the role of scrutiny and other governance processes in relation to the decision and any future phases of regeneration activity. **Cabinet's Consideration** Before reaching its decision, Cabinet considered the report, supporting appendices, officer presentations, professional advice and matters raised during discussion. Members were satisfied that they had before them sufficient information to determine the recommendations contained within the report.

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		Cabinet recognised that the proposed acquisition involved a balance of competing considerations. Members carefully considered the valuation evidence available to the Council, the difference between the proposed purchase price and the independent valuation assessment, and the professional advice received regarding value for money, affordability, future liabilities and financial risk. Cabinet also acknowledged the uncertainty which inevitably accompanies a long-term regeneration programme and the ongoing responsibilities and risks associated with ownership of a substantial commercial estate. Cabinet further recognised that significant concerns had been raised regarding value for money, future liabilities, future financial exposure, funding certainty and the overall level of risk associated with ownership and regeneration of the town centre. Members expressly considered those matters as part of the decision-making process and had regard to the professional advice received in relation to them. Against those considerations, Cabinet considered the regeneration objectives set out within the report, the opportunity to secure ownership and strategic control of the town centre, the availability of regeneration funding and the limitations associated with the alternative options identified. Members also considered the potential consequences of not proceeding with the acquisition and the implications that this may have for delivery of the Council's preferred regeneration strategy. Cabinet noted that future regeneration phases, funding commitments and any material changes to the approved approach would remain subject to further appraisal, reporting and decision-making through the Council's governance

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		arrangements. Cabinet recognised that the decision involved the exercise of judgement having regard to the competing considerations before it. Having weighed the competing considerations identified within the report and during discussion, Cabinet concluded that the proposed acquisition represented an appropriate and proportionate means of progressing the Council's regeneration objectives in the circumstances before it and resolved to approve the recommendations contained within the report. The Chair then put the recommendations contained within the report to Cabinet. RESOLVED:- 1. That Cabinet, having considered the regeneration objectives, alternative options, valuation evidence, independent professional advice, financial implications and risks set out in this report and its exempt appendices, approves the acquisition of Billingham Town Centre from Sheet Anchor Evolve for a purchase price of £13 million, together with associated Stamp Duty Land Tax and professional fees within the approved acquisition budget, for the purposes of facilitating the regeneration of Billingham Town Centre. 2. To delegate to the Director of Regeneration and Inclusive Growth, in consultation with the Chief Financial Officer, authority to apply the £20m Local Regeneration Fund allocation towards the acquisition of Billingham Town Centre and the delivery of Phase 1 works in accordance with Exempt Annex A, subject to compliance with the applicable funding conditions and

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		approved programme budget. 3. To develop a Full Business Case to draw down circa £10m of allocated TVCA funding to achieve the sustainable regeneration of Billingham Town Centre. The resulting Full Business Case and any proposal to commit the associated funding shall be reported back to Cabinet for consideration. 4. That Cabinet delegates authority to the Director of Regeneration and Inclusive Growth, in consultation with the Chief Financial Officer and Director of Corporate Services (Monitoring Officer), to complete the acquisition of Billingham Town Centre on the terms approved by Cabinet, including entering into all necessary agreements and contracts, and to establish effective arrangements for the ongoing management of the asset. 5. In exercising this delegation, officers will have regard to any material changes in the financial, legal or commercial circumstances arising before completion. Any material change which calls into question the basis upon which Cabinet has approved the acquisition will be referred back to Cabinet for further consideration and determination. 6. To delegate authority to the Director of Regeneration and Inclusive Growth, in consultation with the Chief Financial Officer, to procure and enter into contracts necessary to deliver Phase 1 works, including demolition of Queensway South, the former library and clinic site, urgent condition works and associated operational arrangements, subject to approved budget provision and compliance with the Council's Financial Procedure Rules, Contract Procedure Rules and applicable procurement legislation.

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		7. To delegate to the Director of Regeneration and Inclusive Growth in consultation with legal services officers the authority to enter into all necessary contracts to enable the decant of remaining tenants from West Precinct subject to compliance with the Council's Constitution, Financial Procedure Rules, Contract Procedure Rules, approved budget provision and applicable procurement legislation. 8. To delegate authority to the Director of Regeneration and Inclusive Growth to undertake preparatory work, surveys, design development, procurement activity and business case preparation relating to the proposed demolition of West Precinct and Kingsway Car Park. Any decision to enter into a contract resulting in a material financial commitment for the delivery of those demolition works shall be subject to a further Cabinet report following confirmation of external funding and approval of the associated business case. 9. To delegate authority to the Director of Regeneration and Inclusive Growth, in consultation with the Chief Financial Officer and relevant legal officers, to enter into, vary, renew, surrender or terminate leases and licences necessary for the effective management and regeneration of Billingham Town Centre, subject to compliance with the Council's Constitution, Financial Procedure Rules and approved budget provision. 10. To initiate a programme of community engagement to refresh the vision for the regeneration of Billingham Town Centre. 11. To establish a Billingham Regeneration Board to act in an advisory capacity and support engagement of local stakeholders and the community

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		to ensure that local voices help shape the development of regeneration plans. 12. To appoint Mark White CBE DL, as the Independent Chair of the Billingham Regeneration Board. 13. To bring forward to Cabinet, following public engagement and development of the masterplan, a proposed regeneration scheme for Billingham Town Centre together with any necessary delivery, funding and governance proposals. 14. To note the advice of the Chief Financial Officer concerning affordability, prudence and sustainability and the advice of the Monitoring Officer concerning the legal and governance implications of the proposed acquisition. 15. To note that any future proposal involving material prudential borrowing or a material change to the approved funding strategy shall be subject to further consideration through the Council's established governance arrangements. 3. <u>Reasons for the Decision</u> Cabinet's decision was reached following consideration of the report, supporting appendices, professional advice received, officer presentations and the matters raised during discussion. Members had regard to the Council's regeneration objectives, the proposed acquisition price, the valuation evidence available to Cabinet, the professional advice received, the identified risks associated with

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		ownership, the proposed funding arrangements, the alternative options available to the Council and the implications of not proceeding with the acquisition. Cabinet acknowledged that the proposed acquisition involved significant risks and uncertainties and noted the concerns identified through the professional advice received, including matters relating to value for money, future liabilities, ongoing financial exposure and the obligations associated with ownership and management of a substantial town centre estate. Cabinet also noted that the proposed purchase price exceeded the valuation assessment contained within the independent valuation advice obtained by the Council. Having considered those matters, Cabinet concluded that acquisition would provide the Council with a greater degree of ownership, control and strategic influence over the future of the town centre than the alternative options identified within the report. Members considered that ownership would place the Council in a stronger position to pursue its regeneration objectives and influence future development proposals affecting the town centre. Cabinet also considered the implications of not proceeding with the acquisition, including the potential impact upon delivery of its preferred regeneration strategy, the limitations associated with seeking to secure comprehensive regeneration in the absence of ownership and strategic control of the estate, and the consequences identified within the report for future regeneration opportunities, programme delivery and future investment in the town centre. Having weighed the competing considerations before it, Cabinet concluded that acquisition, together with the associated funding and governance arrangements, represented an appropriate and proportionate course of action in pursuit of the

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		Council's regeneration objectives. Cabinet further noted that future regeneration phases, future funding commitments and any material changes to the approved approach would remain subject to separate consideration through the Council's established governance arrangements. 4. <u>Alternative Options Considered and Rejected</u> Cabinet considered the alternative options described within the report and their respective implications for regeneration objectives, deliverability, risk, cost, funding and programme timescales. The principal alternatives considered were: **Not Proceeding with the Acquisition** Cabinet noted that this approach would avoid acquisition expenditure and ownership liabilities but considered the implications for delivery of regeneration objectives and the Council's ability to influence the future management and redevelopment of the town centre estate. **Pursuing Alternative Regeneration Interventions** Cabinet considered the extent to which regeneration objectives could be achieved without acquisition and strategic control of the town centre estate and the implications of such an approach for delivery of the Council's preferred regeneration strategy.

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		Pursuing Compulsory Acquisition Cabinet considered the legal, procedural, financial and delivery implications associated with compulsory purchase powers, including the uncertainty, costs and timescales associated with that approach. Having considered those alternatives, Cabinet concluded that none represented a more appropriate or deliverable means of progressing the Council's regeneration objectives in the circumstances presented at the time of the decision. 5. Declared (Cabinet Member) Conflicts of Interest None 6. Details of any Dispensations None 7. Date and Time by which Call In must be executed Midnight, 12 November 2026 Proper Officer 6 November 2026

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