

AGENDA ITEM

REPORT TO CABINET

SEPTEMBER 18th 2025

REPORT OF SENIOR MANAGEMENT TEAM

KEY DECISION

**Regeneration and Housing - Lead Cabinet Member – Councillor Richard Eglington
Resources & Transport – Lead Cabinet Member – Councillor Paul Rowling**

Powering Our Future – Regeneration Mission – Town Hall and Debenhams

SUMMARY

This report provides an update on the Powering Our Futures Regeneration mission delivery of the Central Stockton and North Thornaby Blueprint. The report includes future opportunities for use of existing assets in Stockton town centre which were deferred at the July Cabinet meeting.

REASONS FOR RECOMMENDATION(S)/DECISION(S)

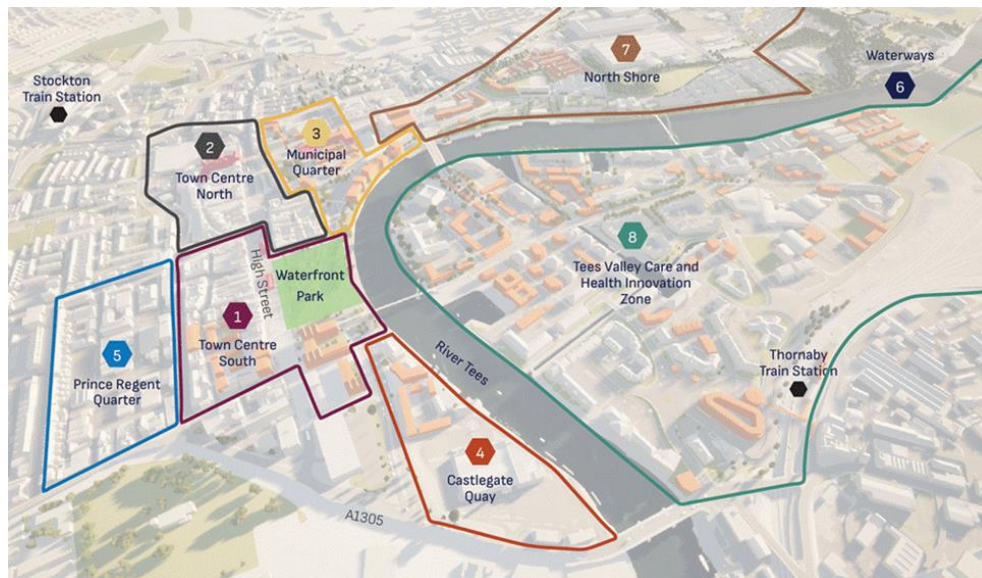
To enable delivery of the projects and programmes within the Regeneration Powering Our Futures Mission.

RECOMMENDATIONS

1. Delegate the previously agreed allocation of £6.5m to the Director of Regeneration and Inclusive Growth in consultation with the Cabinet Member for Resources and Transport to:
 - a. Undertake works associated with Stockton Town Hall to bring it back into active use.
 - b. Create an enabling budget to develop options and engage the market in opportunities to bring the former Debenhams building back into occupation.
 - c. Upgrade council owned shops in Stockton town centre to create spaces suitable for small businesses.

DETAIL

1. In July 2024, Cabinet approved a Blueprint which sets out an exciting and innovative vision for the future development of Central Stockton and North Thornaby areas. The blueprint outlines transformational change over the next 25 years by creating prosperous, vibrant places, fit for future generations by delivering modern, mixed-use neighbourhoods and a thriving town centre, helping to make sure it is a safe and welcoming place where people want to work, live and visit. It focuses on eight key intervention areas in Central Stockton and North Thornaby (illustrated below):



2. This report provides an update on interventions to support retail in Stockton Town Centre and commercial opportunities for existing Council land and assets.

Stockton Waterfront

3. Work is progressing at pace across the entirety of the Waterfront development site following the smooth transition to a full working site after the closure of Riverside Road in May. Notable works in recent weeks have seen the removal of the old Riverside Road, installation of the first beams to form the land bridge deck and further installation of paving across the northern section of the park. Work is on track to complete on this transformational development in Spring 2026.
4. In March, the Community Diagnostic Centre (CDC) became operational and has continued to increase patient capacity month by month since opening. The scheme is an outstanding example of strong partnership working between public sector bodies to bring about completion of the largest new build CDC in England.

Town Centre Living

5. The July report outlined proposals to develop a series of residential led developments across the waterfront and former post office site between the High Street and West Row, Municipal Buildings and adjacent sites including Riverside Car Park. These sites, along with the Dairy Car Park site, will form part of a portfolio of development sites in the Stockton town centre area and the Council will procure a development partner to bring forward residential led redevelopment on these sites. This will include an assessment of

commercial use types including, mixed tenure housing including affordable housing, student residential and residential needs linked to growth in the Care and Health sector, build to rent and hotel and aparthotel beds. All these use types will contribute to increased town centre vibrancy, support economic growth and assist with scheme viability.

6. The Council and Tees Valley Combined Authority (TVCA) have already agreed a delivery partnership approach to the development of the Municipal Quarter, with TVCA and Stockton Borough Council (SBC) contributing £450,000 each to develop a delivery proposition. In July the Council agreed to supplement this with £550,000 to support delivery of the Central Stockton and North Thornaby blueprint allocated in September 2024 to fund the development of masterplans, business cases and delivery proposals.

Stockton Town Hall

7. In July 2023 Cabinet approved the appointment of architects to develop outline design proposals to relocate the Registrars service within Stockton Town Hall. Space Architects were commissioned to produce plans to the end of RIBA Stage 2 and in July 2024, Cabinet approved detail design works to the end of RIBA Stage 4 with an indicative final scheme cost of £6.5m.
8. During the early stages of the detailed design phase of works, it became apparent that due to the constraints of delivering a scheme within a Grade II* listed building, alongside the accessibility and statutory needs of the Registrars service, the Town Hall could not be adapted to fully meet all the functions of the Registrars service.
9. It is however essential that this Grade II* listed building which is a key focal point in the heart of the town, is brought back into use and that any future use will celebrate its history and attractive civic setting. It is therefore recommended that options to restore the building for its' original civic use should be explored, alongside other ground floor use opportunities which better compliment the wider retail, leisure and cultural offer of the town centre.
10. It is proposed that this includes using the Council Chamber for civil partnership, wedding and civic ceremonies, maintaining its grandeur and civic function. The options appraisal will assess the potential to relocate the Visitor Information Centre on the ground floor, alongside a series of flexible rooms at both ground and first floor level, which could be used by front facing Council services. This could include, but is not limited to, consultation rooms, meeting rooms, exhibition space and touch down spaces. Works and designs done to date will inform final designs and it is proposed that the final design and commissioning of works is delegated to the Director of Regeneration and Inclusive Growth in consultation with the Cabinet Member for Resources and Transport to be funded from the remainder if the £6.5m budget already allocated for this purpose.

Debenhams

11. The former Debenhams department store building was historically in two separate ownerships. The 'rear' part of the building is included within the Wellington Square Shopping Centre ownership boundary, which the Council acquired in 2019. The 'original' main building, fronting onto the High Street, was privately owned but transferred into the hands of receivers in 2018 whilst Debenhams were in occupation as leaseholders.
12. The building services, utilities, fire alarms etc were all located in the front part of the building which did not have any impact when Debenhams were operating the building as one.

13. Debenhams went into administration and ceased trading in January 2020. The property has remained vacant since that time. The property was marketed for sale shortly after it became vacant.
14. The property was then offered for sale at auction in October 2023. Given that the rear portion of the building could not be let without access to building control systems located in the front portion the Council agreed a purchase price with the auctioneers in advance of the auction date and completed the purchase in November 2023 to make the building into one asset.
15. Due to the scale of the building (circa 90,000 square feet), there is limited demand for a building of this type in its current form. This trend has been observed nationwide. In recent years, retailers such as Debenhams, BHS, House of Fraser and Wilko's ceased trading, resulting in 771 vacant properties. As of January 2024, 75% of those properties remained vacant.
16. The building occupies a prominent position at the northern end of the High Street, next to The Globe, with a separate entrance in Wellington Square. This is a key town centre asset to be brought back into use for the benefit and vitality of the town and its community.
17. The blueprint identified the former Debenhams as an ideal location to enhance the town's already thriving daytime and nighttime economies by offering accommodation that a wide range of potential users can occupy, complement the existing user mix in the town centre and maximise its commercial sustainability. This could include, but is not limited to, a creative and digital "hub", market food hall, community health facilities and leisure uses.
18. Other significant benefits could be achieved by bringing the building back into use, including job creation, private sector investment, increased visitor spend and enhanced footfall.

Small Business Space

19. Against a national backdrop of diminishing retail activity in Town Centres, as a result of increased online and out of town shopping habits, the Central Stockton blueprint set out plans to concentrate retail provision in the town centre around the successful Wellington Square, to support and maintain retail vibrancy. Wellington Square shopping centre was acquired by SBC alongside the Castlegate Centre to create a concentrated retail core in Stockton town centre and to deliver the blueprint vision. The units in the centre are well occupied and the centre is well used with footfall of c300k visits a month. The units are a combination of large retail floorplates like Debenhams, with a majority being smaller single or double fronted shop units. The costs associated with such units can still be a barrier to small start-up traders and we are aware of strong interest from small businesses looking for affordable trading space in an already successful retail core. This space does not currently exist.
20. There are currently a small number of vacant units owned by SBC in and around Wellington Square that are vacant that could be split to reduce start-up costs for small businesses. It is recommended that a small capital budget is allocated to create good trading spaces for small businesses and support our local independent retail sector.
21. To support the re-use of the Town Hall and Debenhams and increase small business space in the town centre which will deliver on the agreed blueprint, it is recommended that the previously agreed £6.5m capital budget for redevelopment of Stockton Town Hall be used to:

- a. Undertake works associated with Stockton Town Hall to bring it back into active use.
 - b. Create an enabling budget to develop options and engage the market in opportunities to bring the former Debenhams building back into occupation.
 - c. Change SBC retail units in the town centre to meet the needs of small businesses.
22. it is proposed that the final allocations between the three schemes be delegated to the Director of Regeneration & Inclusive Growth in consultation with the Cabinet Member for Resources and Transport to develop a business case and designs for potential future uses.

COMMUNITY IMPACT IMPLICATIONS

Proposals in this report have been the subject of an Equality & Poverty Impact Assessment.

CORPORATE PARENTING IMPLICATIONS

There are no corporate parenting implications in this report.

FINANCIAL IMPLICATIONS

The £6.5m outlined in the report to deliver interventions within the Town Hall and Debenhams is in the approved capital programme.

LEGAL IMPLICATIONS

Legal advice will be sought throughout the projects to ensure that all financial and property agreements (eg leases) and contracts are lawful, meet the Council's requirements and follow the Council's governance procedures.

RISK ASSESSMENT

This matter in this report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

BACKGROUND PAPERS

Report To Cabinet Central Stockton and North Thornaby Blueprint September 2024
Powering Our Futures Regeneration Mission update – July 2025

Name of Contact Officer: Tracey Carter
Post Title: Director of Regeneration and Inclusive Growth
Telephone No. 01642 528369
Email Address: tracey.carter@stockton.gov.uk