Stockton-on-Tees Borough Council

Call-In Request Form

I/We request that the following matter be called-in for consideration by the Executive Scrutiny Committee for the reason(s) stated below.

I/We understand that a minimum of six Members of the Council excluding Cabinet Members, or two Education representatives with voting rights in respect of education matters, must submit this request before the call-in procedure is implemented.

Decision making body ie. Cabinet, Officer, or Joint Arrangement	Cabinet

Details of decision	Approval to acquire Billingham Town Centre from Sheet Anchor Evolve for £13 million, together with associated Stamp Duty Land Tax and professional fees.
Ref. number (if any)	
Date of decision	4th November 2026

We consider that the decision is not in accordance with the following principle(s) of Paragraph 1.35 of the Constitution for the reason stated -	
Principle(s) (overleaf)	**Reason(s)**
• proportionality (i.e. the action must be proportionate to the desired outcome); • due consultation and the taking of professional advice from Officers; • respect for human rights and equality of opportunity; • a presumption in favour of openness; • clarity of aims and desired outcomes; and • an explanation of what options have been considered and giving the reasons for decisions • relevant matters have not been ignored • clarity and explanation of information provided	This call-in is submitted on the grounds that there are significant concerns as to whether the decision to acquire Billingham Town Centre for £13 million was reached in accordance with the Council's published decision-making principles. The decision is of considerable financial, commercial and strategic significance. It commits the Council to acquiring a substantial and complex commercial property asset, with significant existing liabilities and further financial and delivery risks. The Cabinet report itself acknowledges that material concerns identified by CIPFA remain unresolved, particularly in relation to value for money, property condition, rental income sustainability and the long-term implications of ownership. The fact that Cabinet approved all 15 recommendations does not, in itself, demonstrate that the decision-making principles were properly applied. The issue is whether members had sufficient reliable information, whether all reasonable alternatives

	remained genuinely open for consideration, whether the risks were properly understood and whether the decision was proportionate and supported by a sufficiently mature business case. The call-in therefore asks the Executive Scrutiny Committee to examine whether Cabinet had the information necessary to make a balanced and properly informed decision before committing the Council to the acquisition. **Decision-making principles and outstanding concerns.** **A. Proportionality – the action must be proportionate to the desired outcome** The Council must demonstrate that committing £13 million of public money, together with the associated liabilities and risks of ownership, is proportionate to the regeneration outcomes it seeks to achieve. There are several significant matters which require further scrutiny before Cabinet may reasonably reach that conclusion. **1. The purchase price and value for money** • CIPFA identifies the proposed £13 million purchase price as being towards the upper end of the 'available valuation evidence' and says that a strong justification is required. • CBRE's assessment of general market pricing was approximately £10.753 million, around £2.25 million below the agreed purchase price. • The seller's £13 million valuation evidence was based on assumptions which included redevelopment works, tenant relocation and demolition having been completed using public funding. • The Cabinet report does not remove the need to demonstrate why paying a premium above CBRE's market pricing assessment is justified by the benefits attributable to the acquisition itself. **Information required:** A clear, quantified explanation of the premium being paid, the benefits which justify it, the negotiating position adopted and why a lower price or different acquisition structure could not have achieved the Council's objectives.

	2. The full financial exposure • The £20 million Phase 1 budget includes the £13 million purchase price, SDLT, decanting and demolition, repairs, professional fees and contingency. • The wider scheme is estimated at £30 million. • Knight Frank identified approximately £6.5 million of repair and maintenance liabilities for retained buildings, including fees and contingency. • The initial £2 million Phase 1 repairs allocation is not intended to discharge all existing and future maintenance obligations. • Further investigations into mechanical and electrical systems, fire compartmentation, structural condition and compliance are to take place after acquisition. The report therefore confirms that the Council will assume ownership before all condition and compliance liabilities have been fully established. **Information required:** A consolidated assessment of the Council's maximum reasonably foreseeable financial exposure, including adverse scenarios for repairs, compliance, demolition, delays, tenant departures and future operational costs. Cabinet Members should also have been provided with a clear explanation of how any overspend or funding shortfall would be met. **3. The proportionality of accepting unresolved risks** The Section 151 advice recognises that the Council is operating in a challenging financial environment, with significant demand and inflationary pressures, annual budget gaps and low reserves. It also warns that a material adverse financial outcome would have a greater impact on the Council because its financial resilience is more limited. The advice concludes that significant financial, value-for-money and delivery risks remain. **Information required:** That Cabinet Members were provided with evidence demonstrating why accepting these residual risks was proportionate, particularly when the Council's financial resilience is already constrained.

B. Due consultation and the taking of professional advice from Officers

Cabinet was required to consider professional advice objectively and establish that material concerns had been adequately addressed before making its decision.

1. CIPFA's advice and outstanding recommendations

CIPFA identified significant risks and advised extreme caution before the Council entered into a binding commitment.

Its concerns included:

- The purchase price and value for money.
- The need for a refreshed business case.
- The maturity of cost estimates and potential optimism bias.
- The condition of the property and future maintenance liabilities.
- The sustainability of rental income.
- The absence of a sufficiently developed long-term ownership and exit strategy.
- The need to test alternative options, including compulsory purchase.

The Cabinet report acknowledges at paragraph 32 that not all CIPFA concerns had been resolved.

Information required: Why Cabinet Members did not request a recommendation-by-recommendation schedule identifying which CIPFA recommendations were fully addressed, which were only partially addressed, and which remained outstanding when Cabinet made its decision. Cabinet Members should have been given a clear explanation of why any outstanding recommendations did not prevent approval.

2. The revised business case

The original Jacobs appraisal identified approximately £65.4 million in net additional present value benefits and a benefit-cost ratio above 2. However, the Cabinet report acknowledges that the original assessment cannot be treated as definitive for the revised acquisition-led and phased approach.

	CIPFA also identifies that the original funding business case related to a different scheme, with different outputs and assumptions. It recommends that the business case be revisited and updated. The Cabinet recommendations defer further work on the masterplan, community engagement and the development of the future regeneration scheme until after acquisition. **Information required:** A refreshed economic and financial appraisal demonstrating that the revised proposal, including the acquisition-led approach, still delivers sufficient benefits to justify its costs and risks. Members should have been given the updated evidence before approving the purchase, rather than relying on an appraisal which the report itself says is no longer definitive. **3. Property condition and liabilities** The report confirms that further surveys and investigations will be required after acquisition. The Council will assume landlord obligations and responsibility for statutory compliance upon completion. **Information required:** Confirmation of which surveys were complete, which remained outstanding, what risks could not yet be quantified and why it was considered appropriate to accept those liabilities before completing the investigations. **4. Financial and legal advice** The TVCA letter provides a commitment to reserve up to £10 million, but drawdown remains conditional upon approval of detailed business cases and compliance with funding requirements. The LRF funding also remains subject to its conditions and the relevant funder's requirements. **Information required:** Clear confirmation of the funding conditions, the status of the relevant approvals, the consequences of any funding being delayed or refused, and the legal and financial advice given to Cabinet about the risks of relying on these funding arrangements.

	C. Respect for human rights and equality of opportunity The decision has implications for local businesses, employees, residents, customers and users of the town centre. The acquisition and subsequent regeneration proposals could involve tenant relocation, demolition, changes to access and parking, and significant changes to the town centre's existing facilities and uses. The Cabinet report proposes further public engagement after the acquisition has been approved. **Outstanding questions:** • What consultation with affected businesses and tenants had taken place before Cabinet approved the purchase? • What assessment had been undertaken of the impact on businesses and those who depend upon the services they provide? • Had the equality and poverty impact of the proposed acquisition and initial regeneration works been fully assessed? • How could Cabinet be confident that the proposed future uses would meet the needs of the wider Billingham community when the public engagement exercise and detailed masterplan were still to be developed? **Information required:** The completed Equality and Poverty Impact Assessment, the evidence of consultation undertaken before the decision, and an explanation of how the interests of affected businesses, residents and other users had been considered. **D. A presumption in favour of openness** A decision of this financial and strategic importance must be supported by a transparent and comprehensible record of the evidence, advice and reasoning relied upon. The use of exempt information may be justified for commercially sensitive matters. However, confidentiality should not prevent members from receiving sufficient information to scrutinise the

	proposal or prevent the public from understanding the basis of the decision to the greatest extent possible. **1. The August Cabinet members unpublished meeting and whether the decision was already taking shape** The CIPFA report refers to a presentation made to members on **24 August 2026**, setting out options for partial acquisition of the centre and the redirection of funding. CIPFA records that: • The Council had previously intended to pursue partial acquisition. • The presentation to members considered partial acquisition and redirection of funding. • The original funding business case had subsequently changed significantly. • The option of renegotiating to use funding on the Queensway development and make it a mixed-use scheme, potentially attracting a commercial purchaser for the shopping centre, had been considered and rejected by members. The CIPFA report raises questions about how the options were considered, what conclusions had already been reached and whether the full range of alternatives remained genuinely open when Cabinet subsequently considered the £13 million acquisition. The existence of an earlier members' discussion does not, by itself, establish that the final decision had been predetermined. However, it does require clarification of the status and outcome of that meeting. **Information required:** • The minutes, presentation papers and attendance record for the meeting on 24 August 2026. • The options presented to members and the financial evidence supporting each option. • The identity of those who determined that the alternative Queensway approach should be rejected. • Whether members were asked to express a preference, make a decision or simply receive an update.

	• What authority, if any, was exercised at that meeting. • Whether the decision to pursue full acquisition had effectively been settled before the formal Cabinet decision on 4 November. It needs to be established whether Cabinet genuinely considered all reasonable options or was presented with a proposal whose preferred outcome had already been established. **E. Clarity of aims and desired outcomes** The Council's broad objective of regenerating Billingham Town Centre is understandable and supported by the need to address the centre's decline. However, the acquisition decision should have been supported by clear and measurable objectives for the asset and the proposed regeneration. CIPFA identifies that the long-term ownership strategy, intended outcomes and future use of the asset require greater clarity. The Cabinet recommendations defer the refreshed masterplan, community engagement, future development proposals and delivery arrangements until after the acquisition. **Outstanding questions:** • What is the precise end use and long-term purpose of the acquired asset? • How long does the Council expect to own the centre? • What are the measurable outcomes which justify the £13 million purchase? • What is the proposed exit strategy if the intended regeneration cannot be delivered? • What are the financial and operational implications if the Council retains the asset for longer than anticipated? **Information required:** A clear ownership strategy, intended holding period, measurable regeneration outcomes, delivery timetable and exit strategy. Cabinet should have been able to explain how ownership itself would deliver the desired outcomes, rather than relying on future proposals which had not yet been developed.

	F. An explanation of the options considered and the reasons for decisions The decision-making principles require members to understand what options have been considered and why the preferred option has been selected. CIPFA specifically identifies the need for stronger evidence on the alternatives and their costs, benefits and risks. **1. Full acquisition compared with partial acquisition** The Council had previously considered partial acquisition. The August members' meeting discussed partial acquisition and redirection of funds. **Information required:** A comparative financial and delivery appraisal explaining why full acquisition was preferable to partial acquisition, including the additional liabilities and risks assumed by purchasing the whole centre. **2. Compulsory purchase** CIPFA specifically identifies compulsory purchase as an alternative which should be properly documented, including its costs, risks and timescales. **Information required:** The comparative costs, likely timescale, legal risks and deliverability of a compulsory purchase route, and the reasons it was rejected or considered less appropriate. **3. Negotiation and purchase price** The Council's own commercial advice recommended opening negotiations below the £10.7 million market pricing recommendation. The eventual purchase price was £13 million. **Information required:** A complete explanation of the negotiation strategy, the basis on which the Council moved from its initial position to £13 million and why members considered the final price represented value for money. **4. Doing nothing or delaying acquisition** The consequences of not acquiring the centre must be weighed against the risks of proceeding before the

	business case and long-term ownership arrangements are fully developed. **Information required:** A clear comparison of the consequences of immediate acquisition, delayed acquisition, alternative intervention and non-acquisition, including the risks to external funding and the Council's existing leasehold interests. **G. Relevant matters have not been ignored** The decision must take account of all relevant matters, including material risks, professional advice, financial implications and alternative options. There are several matters which required a clear response before Cabinet could approve the acquisition. **1. Rental income and tenant risk** The report identifies uncertainty around future rental income, concentration of income among a relatively small number of occupiers and a number of forthcoming lease events. CIPFA identifies that the departure of four significant tenants could reduce net operating income by approximately £600,000 per year. **Information required:** Sensitivity analysis showing the effect of tenant departures, rent reductions, rent-free periods, voids and increased service costs on the Council's financial position. **2. Repairs and maintenance estimates** The report identifies different condition estimates produced for different purposes and assumptions. It also confirms that the £6.5 million retained-building estimate is not fully covered by the initial £2 million Phase 1 repairs allocation. **Information required:** A consolidated schedule explaining the different repair estimates, their scope, what has been included in the £20 million and £30 million budgets, and what further liabilities may arise. **3. Long-term ownership and exit strategy** CIPFA identifies that the Council's long-term ownership strategy is not sufficiently developed. The Cabinet

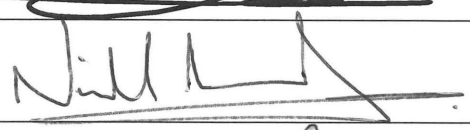
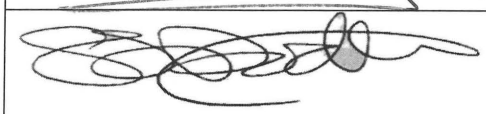
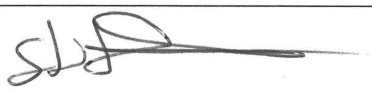
	recommendations provide for further asset management and future regeneration work after acquisition. **Information required:** A clear assessment of the cost of retaining the asset, the risks of an extended holding period, the likely sale value and the circumstances in which the Council would decide to dispose of it. **4. Funding conditions and delivery timescales** The TVCA commitment is for up to £10 million, with drawdown dependent upon approval of detailed business cases. The LRF funding also carries conditions and delivery requirements. **Information required:** Evidence that the revised proposals are consistent with the relevant funding conditions, that the proposed programme can be delivered within the required timescales and that there is a credible contingency if approvals or delivery are delayed. **5. Delegated authority** Recommendations 4–9 delegate significant powers to officers, including acquisition completion, asset management, procurement, demolition, tenant decants and leases. Recommendation 5 refers to material changes which may require a further Cabinet report, but the decision papers should make clear what constitutes a material change and what financial or strategic limits apply. **Information required:** A clear schedule of delegated authority, financial limits and circumstances in which further Cabinet approval will be required. Members should understand the extent of the commitments they were authorising. **H. Clarity and explanation of information provided** The information presented to members must be clear, consistent and sufficient to support a properly informed decision. There are several areas where the papers require further explanation and reconciliation.

	1. Valuation evidence The valuation evidence includes materially different figures and assumptions. The relationship between the CBRE market pricing assessment, the Knight Frank valuations and the seller's valuation needs to be clearly explained. **Information required:** A single reconciled valuation schedule setting out the date, purpose, assumptions and status of each valuation, together with a clear explanation of how the £13 million price was justified. **2. Repair and condition costs** The papers refer to a £2 million Phase 1 repairs allocation, approximately £4 million in the wider scheme cost breakdown and approximately £6.5 million of retained-building repair and maintenance liabilities. Earlier condition evidence also contains other estimates. These figures may relate to different scopes and assumptions, but members should not have been expected to reconcile them themselves. **Information required:** A single schedule identifying the full scope of works, the cost of each element, what is funded and what remains outstanding. **3. The business case and economic benefits** The original economic appraisal relates to a different scheme and is acknowledged not to be definitive for the revised proposal. **Information required:** A refreshed appraisal setting out the benefits, costs, assumptions and risks of the actual acquisition and regeneration proposal being approved. **4. Financial exposure and affordability** The Section 151 advice identifies significant residual risks and the potential for adverse financial outcomes. The Council's revised funding arrangements reduce borrowing exposure but do not remove commercial, condition or delivery risks. **Information required:** A clear financial risk assessment showing the best-case, expected and adverse-case

	scenarios, including the potential impact on the Council's Medium Term Financial Plan and reserves. **3. The ability of Cabinet members to reach a balanced decision** The central concern is whether Cabinet members had sufficient information to weigh the benefits of acquiring Billingham Town Centre against the full financial, commercial and delivery risks. The Cabinet report itself acknowledges at paragraph 31 that the purpose of the decision is to determine whether the risks are proportionate to the potential benefits. Paragraph 32 expressly recognises that not all CIPFA concerns have been resolved. The Section 151 advice also makes clear that significant residual risks remain. At the same time: • The refreshed business case had not been completed. • The revised masterplan and future regeneration proposals were to be developed after acquisition. • Further property condition and compliance investigations were required. • The long-term ownership and exit strategy remained insufficiently developed. • The TVCA funding drawdown depended upon future business-case approval. • Significant questions remained about the purchase price and value for money. • The August members' meeting raises questions about whether alternative options had already been rejected before the formal Cabinet decision. It is therefore reasonable to question whether Cabinet had all the information necessary to make a genuinely balanced decision, or whether members were being asked to accept significant and potentially open-ended risks in anticipation of benefits which had not yet been fully evidenced. A decision to regenerate Billingham may be entirely justified. That does not automatically mean that acquiring the whole town centre for £13 million, on the

	terms and at the stage proposed, was the only or most proportionate way to achieve that objective. The Council must be able to demonstrate not simply that regeneration is desirable, but that the particular acquisition decision was justified by the evidence available at the time. **Conclusion** This call-in is not an argument against the regeneration of Billingham Town Centre. It is an argument that a decision of this scale, involving £13 million of public money and the assumption of substantial commercial and property liabilities, must be based on complete, clear and properly tested information. The Council's own reports acknowledge significant unresolved risks. The business case, masterplan, further property investigations and long-term ownership strategy were not complete. CIPFA's report also raises important questions about the options considered by members in August and the extent to which the preferred approach had already been settled. Cabinet members were required to make a balanced decision based on the evidence available, not simply to endorse the preferred outcome. Where material information remains outstanding, it is legitimate to question whether they were in a position to make that decision. **Footnote** Cabinet decision 14th May 2026..... Scrutiny Review of Governance of Capital Projects. Resolved. 2. When making a decision Cabinet receive information that addresses the following: • option appraisal • public and stakeholder consultation and engagement • benefit identification • risk management

	• financial delegations • lessons learned from previous projects where appropriate

We request that the following Cabinet Member(s)/Officer(s) to be required to attend the Executive Scrutiny Committee	
Cllr Lisa Evans, Cllr Paul Rowling, S151 Clare Harper, Monitoring Officer Ged Moroton, Director Regeneration Tracey Carter.	
Signed	**Print Name**
	CLLR TONY RIORDAN
	CLLR NIALL INNES
	CLLR STEVE DODDS
	CLLR LYNN HALL
	CLLR SHAKEEL HUSSAIN
	CLLR SUFI MUBEEN

This form must be submitted to the Proper Officer (via Democratic Services) within four working days of the publication of the decision i.e. by 12 midnight on the fourth day.

Multiple forms (including faxed and e-mailed versions) may be submitted in respect of the same decision. If the form is e-mailed it must be subscribed to by one person only.

This form may be returned as follows:

By hand to any Democratic Services Officer

Email – 'DL Democratic Services'

Office use only	
Date received:	Initials:
Valid: Yes/No Reasons for invalidity: Reasons notified	
Executive Scrutiny Committee date:	

Extract from Constitution – Paragraph 1.35

Decisions of the Council will usually be made in accordance with the following principles:

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from Officers;
- respect for human rights and equality of opportunity;
- a presumption in favour of openness;
- clarity of aims and desired outcomes; and
- an explanation of what options have been considered and giving the reasons for decisions
- relevant matters have not been ignored
- clarity and explanation of information provided

Please also see the guidance contained with the Scrutiny Toolkit, and Constitution.