

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

4 JANUARY 2007

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION/KEY DECISION

***Regeneration & Transport - Lead Cabinet Member, Councillor Cook
Arts, Leisure & Culture - Lead Cabinet Member, Councillor O'Donnell***

BILLINGHAM FORUM

1. Summary

This report provides a position statement regarding Billingham Forum Complex. In particular it highlights the options for comprehensive refurbishment / redevelopment and associated consultation analysis, and continuing operational issues affecting the Forum Complex.

2. Recommendations

It is recommended that:

1. Cabinet:

- a) support the submission of an outline Private Finance Initiative (PFI) bid to the Department of Culture, Media and Sport (DCMS) incorporating a comprehensive redevelopment of the Forum Complex
- b) note the consultation results carried out to ascertain the level of community support for a refined bid to Government to redevelop Billingham Forum
- c) note that a more detailed report be prepared for Cabinet before any PFI Stage 2 (outline business case) submission

2. Cabinet note the condition and frailty of the Forum structure and note that a further report will be brought to Cabinet in summer 2007

3. Reasons for the Recommendations/Decision(s)

To enable the progression of proposals to secure funding to facilitate a redevelopment of Billingham Forum.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

AGENDA ITEM

REPORT TO CABINET

4 JANUARY 2007

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION/KEY DECISION

BILLINGHAM FORUM

SUMMARY

This report provides a position statement regarding the regeneration of Billingham Forum Complex. In particular it highlights the options for comprehensive refurbishment / redevelopment and associated consultation analysis, and continuing operational issues affecting the Forum Complex.

RECOMMENDATIONS

It is recommended that:

1. Cabinet:
 - a) support the submission of an outline Private Finance Initiative (PFI) bid to the Department of Culture, Media and Sport (DCMS) incorporating a comprehensive redevelopment of the Forum Complex
 - b) note the consultation results carried out to ascertain the level of community support for a refined bid to Government to redevelop Billingham Forum
 - c) note that a more detailed report be prepared for Cabinet before any PFI Stage 2 (outline business case) submission
2. Cabinet note the condition and frailty of the Forum structure and note that a further report will be brought to Cabinet in summer 2007

BACKGROUND

1. Billingham Forum provides a range of leisure facilities and is one of the three main leisure centres in the Borough of Stockton-on-Tees. It has a diverse blend of leisure facilities including an ice rink, which attracts people from all over the Tees Valley, Yorkshire and County Durham and is one of only three permanent ice rinks in over a 100 mile radius. Attendance figures show that the ice rink is one of the most popular facilities on offer, with usage figures increasing by nearly 51% (52,000 people) over the past 4 years. The Forum also boasts a swimming pool, extensive health and fitness facility, Grade II listed theatre, and indoor bowls; facilities which appeal to a whole range of users from across the Borough and Tees Valley.

2. As clearly outlined in the February 2005 Cabinet report, Billingham Forum was built in the 1960's with what were then traditional methods and materials and has been in a declining state for some time. As a result, its condition can best be described as extremely fragile. Given the frailty and condition of the structure, services and fabric of the building, and the desire to keep it fully operational and open for use, extensive monitoring arrangements have been put in place to mitigate Health and Safety issues.
3. Since 1980 £4.4 million (at current day costs) has been spent on improvements and repairs to the complex. However, given its age and construction type, many components are collectively reaching the end of their natural life. Recent difficulties including electrical problems, issues with the roof and structural damage all reflect the increasing difficulty maintaining the building as a safe and reliable operational venue.

DETAIL

4. Following winter 2006, the condition of the building will be reassessed and further surveys completed. However, there is a risk that failure of plant, equipment or structure could occur within the next 12 months. Whilst this risk is currently being managed, it remains a serious concern.
5. In parallel with the development of a refined PFI credit bid submission officers have therefore been investigating contingency options in case our PFI bid is unsuccessful.
6. This option analysis is now an urgent piece of work and officers intend to bring a report to Cabinet in summer 2007 (after the comprehensive spending review and DCMS position statement regarding the availability of PFI credits) with detailed, costed information and recommendations.

Department of Culture, Media and Sport (DCMS) PFI bid

7. In 2005, Stockton Council applied to the DCMS for PFI credits with a view to refurbishing the facility.
8. PFI is a way of funding long term public sector contracts such as schools, hospitals and leisure facilities, which involve a significant capital expenditure component. The capital monies would be provided by Central Government in the form of PFI 'credits' to the Council. The Council would then procure a private sector contractor to carry out the redeveloped Forum scheme and the credits would be paid over the period of the PFI scheme.
9. The Council's 2005 PFI application was unsuccessful but overall, the feedback was considered to be positive and DCMS have encouraged the Council to refine the bid to enable a resubmission. In particular, the bid was commended for being innovative by providing a community hub facility that would widen access and opportunities for local people and result in the rationalisation of services to better effect. DCMS did comment however, that although they acknowledged the current high community use of the Forum and the potential support for a refurbished venue as a key strength, further evidence of this support and future demand levels would be required in a refined bid.
10. Since June 2006, the Council has been working in conjunction with The Billingham Partnership (TBP) to prepare a refined bid submission for Government funding to access resources for redeveloping leisure facilities. The bid includes for the provision of all current facilities and the incorporation of Roseberry library and a customer service centre. This bid addresses the weaknesses and builds upon the strengths of the 2005 PFI credit bid submission. In particular, a full market appraisal and soft

marketing testing have been conducted, the strategic rationale has been properly highlighted and the management and separation of contracts has been addressed.

11. Furthermore, community support has been properly evidenced following an extensive consultation exercise which resulted in an overwhelming level of public support for the submission of a (PFI) bid to Government for the redevelopment of the Forum. Consultation took the form of a leaflet which was produced detailing the Council's plans to bid for funding to redevelop the Forum complex. This leaflet was accompanied by a short questionnaire asking people to indicate their level of support for this planned bid. The consultation event was held between 20th October and 10th November 2006 with the leaflet being made available in Council venues across the Borough including:

- i. The majority of community centres and Sure Start centres
- ii. Several Youth Centres
- iii. All Council receptions
- iv. All Council leisure facilities
- v. All Libraries

12. Media coverage included an article and advertisement in the Council's Autumn Stockton News magazine, various local press articles including a 'support your local Forum' media campaign by the Evening Gazette and the Council's website which included an on-line version of the questionnaire. Text messaging was also provided as a method for registering the level of support by the public. In all, 3,001 responses were received with approximately 98% of these in support of submitting a bid to Government. An executive summary of the consultation results is shown in **Appendix One**.

13. On 10th November 2006, officers attended a meeting in London with DCMS to seek further information regarding their progress in securing Treasury funding for a 2007 PFI scheme. DCMS informed officers that they are negotiating with the Treasury as part of a comprehensive spending review currently underway but that there are no guarantees of a 2007 round of PFI credits. It is anticipated that any potential funding would be lower than the 2005 offer, mainly as a result of national pressures particularly within DCMS. Given the timescales involved with a PFI it is highly unlikely that, subject to support, scheme construction would commence on site before 2009. This must be considered alongside the frailty of the building.

14. Following the feedback from DCMS and work completed to date, officers feel that submission of the Government (PFI) bid may best secure the opportunity for redevelopment of the Forum Complex. However, due to the timescales and uncertainty regarding PFI credits involved officers would suggest that a more detailed investigation of the alternative options be carried out with a report back to Cabinet in summer 2007. It is therefore recommended that Members proceed on this basis.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

15. The financial implications are covered in the body of this report.

Legal

16. Statutory Duties of Care

17. Statutory Duties relating to maintenance of listed building

RISK ASSESSMENT

18. High risk due to the known poor condition and frailty of the complex, however, the risk has to date been mitigated through the extensive monitoring and inspection regimes that are in place. This has also minimised the risk of catastrophic failure of plant or structure.

COMMUNITY STRATEGY IMPLICATIONS

19. Revitalise Billingham Town Centre, which will impact positively on the further regeneration of the Borough.
20. Stockton Renaissance Community Strategy 2005-08
 - i. Economic regeneration and transport - revitalise the Borough's town centres
 - ii. Improve the health of the local community
21. Stockton Renaissance Regeneration Strategy 2004-08 – Action Area 2, Image and Environment.
22. Billingham Town Centre – implementation of master plan for regeneration

CONSULTATION INCLUDING WARD/COUNCILLORS

23. There has been extensive consultation with all stakeholders in developing the bid, including Billingham Ward Councillors, Cabinet Portfolio holders, the Billingham Partnership and Tees Active Limited (TAL).

Contact Officer: Ian Thompson
Post Title: Head of Regeneration & Economic Development
Telephone No: 01642 527024
Email Address: ian.thompson@stockton.gov.uk

Background Papers

Report to Cabinet – February 2005
PFI Bid to DCMS – March 2005
Report to Cabinet – December 2005

Ward(s) and Ward Councillors:

Billingham Central – Cllr Teasdale and Cllr Woodhouse
Billingham East – Cllr Cunningham and Cllr Stoker
Billingham North – Cllr Leckonby, Cllr Dewison and Cllr Mrs Apedaile
Billingham South – Cllr Smith and Cllr Mrs O'Donnell
Billingham West – Cllr Womphrey and Cllr Mrs Womphrey

Property Implications

Relate directly to the Billingham Forum Complex