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**HAUGHTON ROAD SITE**

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**Responsible Cabinet Member(s) -Councillor David Lyonette,  
Regeneration and Planning Portfolio**

**Responsible Director(s) - John Buxton, Director of Development and Environment**

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**Purpose of Report**

1. To inform on the progress of the current masterplanning study for the Haughton Road site and seek approval for the Council's involvement in this project. In order to progress the project, Members consideration and direction is requested on the following specific issues:
  - (a) Involvement in the project as a landowner;
  - (b) Entering into Heads of Terms of a development agreement;
  - (c) Relocating the Council depot as part of the project;
  - (d) Instigating the consultation process, required if the relocation of the allotments to an off-site location goes ahead as part of the project;
  - (e) Undergrounding of the overhead high voltage power lines.

**Information and Analysis**

***Previous Resolutions***

2. In considering a report on the Darlington Gateway Development Framework, Cabinet resolved (14 January 2003 – Item No. 14):

*“That officers be authorised to prepare funding bids for the schemes and projects, as detailed in the submitted report, and prepare specific projects for approval, particularly in relation to Haughton Road, Faverdale (extension of existing industrial estate) and environmental schemes.”*
3. In considering a report on the Review of the Borough of Darlington Local Plan, cabinet on 8 July 2003 (Item 7(f)) resolved, inter-alia:

*“That the strategy elements outlined in the attached Discussion Paper be endorsed as a basis for the drafting of the ‘first deposit’ Replacement Borough Local Plan.”*
4. The report in paragraph 4 identified that Haughton Road should be the next priority for public sector intervention (after Morton Palms) and could be a flagship project for the Tees Valley Urban Regeneration Company, now known as Tees Valley Regeneration (TVR). The strategy suggested that the Haughton Road/John Dixon Lane land be brought forward for development.

## ***Community Strategy***

5. The Darlington Partnership recognises the potential contribution of the Haughton Road development towards the strategic outcome EC1: “Increased levels of employment” identified in the Community Strategy Action Plan 2003 – 2004 and lists the establishment of a partnership for the Haughton Road Project as an important milestone in the process.

## ***Background to the Project***

6. The Tees Valley Vision is a long-term strategy of the Tees Valley Partnership. It sets out the kind of place the Tees Valley could be in ten years time, and what strategic actions are needed to make that positive outcome more likely.
7. ‘Darlington Gateway’, is a phrase coined during the preparation of the Tees Valley Vision to explain that Darlington’s particular characteristics, if capitalised upon, would be of benefit to the prosperity of the wider Tees Valley. These characteristics include Darlington’s accessibility in relation to road, rail and air transport, and its recognised quality of life.
8. Consultants appointed by the Tees Valley Partnership in 2002 prepared a development framework for the Darlington area, known as the ‘Darlington Gateway – Development Framework’. This project evaluated nine potential development sites against the economic research that had already been carried out and recommended three for inclusion in the development framework as strategic sites. These were Faverdale; Darlington Great Park; and Haughton Road.
9. The Tees Valley Vision describes the Strategic Haughton Road site as:  
  
*“A flagship development on 30ha of brownfield land next to the East Coast Main Line in the Darlington town centre between Haughton Road and Parkgate, to accommodate a high quality business park and a new Learning Park for Darlington College of Technology, housing, open space, neighbourhood facilities, and possibly a conference hotel in close proximity to Darlington Station”*
10. In terms of priority, Haughton Road is one of five major projects that have been identified by TVR. TVR facilitated the acquisition (by One NorthEast and Darlington College of Technology) of British Rail Land Holdings interest, the former rail sidings and associated land; this was an indication of TVR’s commitment to the project.
11. In January 2004, consultants (Gillespies) were appointed by Tees Valley Regeneration, to develop a masterplan for the Haughton Road site, building on the findings of the ‘Darlington Gateway – Development Framework’.
12. TVR have recognised the key strategic impacts of the Haughton Road development as:
  - (a) The site was identified as part of Tees Valley Vision.
  - (b) It is a unique gateway site to Tees Valley and North East of England and can build on excellent strategic communication linkages such as rail, air and roads.

- (c) It is the most likely location (within the Tees Valley Vision) to attract foot loose investment that would not otherwise consider Tees Valley or the North East of England.
- (d) There are no alternative sites in Darlington that could have the impact of this location.
- (e) Development is complementary with other TVR projects, such as the Airport development, which will seek to attract users/occupiers from the aviation sector.

***Primary Objectives for the Masterplan***

13. The following objectives were identified for the masterplan:

- (a) To create a new landmark in the centre of Darlington.
- (b) To develop a unique, high quality, sustainable and commercially successful mixed use development, which will drive the regeneration of the facilities, image and economy of the Tees Valley.
- (c) To harness the available transport and communication infrastructure of the adjacent Main East Coast Railway Station and the nearby Regional Airport.
- (d) To work in collaboration to ensure that the individual development, community, environmental and commercial objectives of each partner are maximised.
- (e) To ensure that what is proposed and what is created is publicised and marketed on a local, regional, national and international basis.

***Partnership***

14. In order to progress this ambitious development, a partnership is proposed, led by Tees Valley Regeneration and directed by a project board comprising representatives from each of the partners, to enable the project to proceed. The partners identified for the project are:

- (a) Tees Valley Regeneration;
- (b) English Partnerships;
- (c) One North East;
- (d) Darlington Borough Council; and
- (e) Darlington College of Technology.

15. The complex nature of the delivery of this scheme (i.e. there are likely to be different developer partners for the different land use components of the site) may give rise to additional development agreements needing to be drawn up. Development agreements are the most appropriate manner by which such transactions are documented. The Council will likely be party to one or a number of these agreements. It is likely that such an agreement may include terms for the sharing of profits over and above the base land value.

16. In order to progress this essential aspect for the implementation of the project, officers should be authorised to negotiate Heads of Terms for a Development Agreement and report to Cabinet.

### ***Location and Ownership***

17. The 30 hectare (75 acre) Haughton Road site is strategically situated to the north of the Darlington railway station and broadly bordered by the east coast mainline railway, Haughton Road, Hundens Lane and Yarm Road. The site and land ownerships are shown on **Plan 1 attached**.
18. Darlington Council owns approximately 16.3 hectares (40 acres) of the site, including the Darlington Depot and the Hundens Lane allotments. ONE has acquired the 11.3-hectare (28 acre) Rail Property Land Holding site and are negotiating the acquisition of the 0.7-hectare (1.87 acres) of Network Rail owned land. A 6.5 hectare (16 acre) portion of the Rail Property Land Holding site has been sold on to the Darlington College of Technology. The balance of the site, approximately 10.5 hectares (26 acres) is in multiple, private ownership.
19. Sanderson Weatherall, the agents for TVR are approaching businesses in the Green Street area, offering them the opportunity to sell their premises through a negotiated agreement. Every effort is being made to facilitate the process for existing businesses. TVR have indicated that existing businesses will be helped to continue in business throughout this process if they so prefer and our Estates and Economic Regeneration teams offer support to assist businesses with the relocation, such as locating suitable alternative premises and the potential refurbishment of new premises.
20. The Council as one of the major landowners of the site has a significant opportunity to benefit from the comprehensive redevelopment of Haughton Road, large areas of which has been under utilised for the last 20 years. The development also provides an opportunity to reconsider the longer-term operational requirements for the Council depot.
21. The Council, as a major landholder, will need to agree to its involvement in the project if the development as currently proposed is to proceed.

### ***Masterplanning Process***

22. In February 2003 the Haughton Road working group was established, consisting of representatives from the potential partners, to progress the development of the site. Their work resulted in the appointment of Gillespies in January 2004, to develop a masterplan for the site. The identified purpose for the masterplan was:
  - (a) To provide a blueprint for the creation of a new and significant landmark in the Tees Valley, within the centre of Darlington, to inspire and attract investment to the region through the Darlington Gateway;
  - (b) To provide documentation required by One North East and English Partnerships to prepare recommendations for investment in the site;

- (c) To form part of the planning application for the site and provide supplementary planning guidance;
- (d) To contribute to the development framework to enable the planning of subsequent development actions and other related areas such as infrastructure and marketing;
- (e) To provide a programme for carrying out the works detailed in the masterplan, leading up to the approval of planning consent for the developments, and the schemes development thereafter.

### ***Planning Policy and Supplementary Planning Guidance***

- 23. It should be noted that the term 'town centre' is used loosely in some of the quoted documents, including the Tees Valley Vision, as the site is not within, nor does it abut the area identified as Town Centre in the Local Plan.
- 24. The Darlington Local Plan identified the following policies and proposals on the proposals map for the site:
  - (a) Employment (new employment areas); Policies EP4 and EP7 for the Council depot site and new College site;
  - (b) Environment (Open Land); Policy E3 for the allotments and the balance of the Council owned land; and
  - (c) Recreation, Leisure and Community (John Dixon Lane sports and recreation facilities); Policy R21 for the balance of the Rail Property Land Holding.
- 25. The Local Plan recognises the opportunities offered by the site and there is general support for the principles of a mixed use development at Haughton Road, provided it can complement the Town Centre without undue competition.
- 26. However, as the development is likely to be in advance of the new Local Development Framework (which will supersede the existing Local Plan which is out of date in this area), the need for the masterplanners to provide Supplementary Planning Guidance was identified in the brief. In view of the introduction of the Planning and Compulsory Purchase Act 2004, this additional guidance will need to be in a format acceptable to the emerging planning framework.
- 27. Apart from the college (the planning application for which is being considered ahead of the masterplan), the most substantial departure from the Local Plan provisions is the suggested introduction of a substantial housing component.
- 28. The Regional Spatial Strategy for the North East is currently being prepared. A draft of the document, circulated for comment identified the site as a Strategic Employment Site, but this would support a mixed development of the kind envisaged in this report.

### ***Proposed Land Uses***

29. A 'mixed use' development for the site was identified from the outset, to strengthen the Darlington Town Centre and to provide a gateway to the region. The uses proposed re-iterate the uses suggested through the Darlington Gateway Development Framework. The main components of the emerging masterplan are:

The Darlington College of Technology  
Nursery  
Sports fields  
Commercial (Office estate)  
Hotel/conference centre  
Business Incubator Units  
Residential Apartments  
Residential townhouses/houses  
Supporting Uses (doctors surgery/community facilities/retail)

30. The relocation of the allotments (subject to consultation), the existing industrial uses and the Council depot off-site is being proposed, in order to ensure the maximum regeneration benefits of the development of Haughton Road.

### ***Allotments***

31. Including the allotments in the development enables a comprehensive scheme with an appropriate buffer between new development and existing residences. It also ensures that sufficient land is provided for public open space, for use by the development and existing residents in the surrounding area.
32. TVR is currently evaluating alternative sites for the relocation of the allotments, taking the wishes of current allotment holders into account, including the keeping of livestock. Following an initial desktop study by consulting engineers commissioned by TVR, a detailed study of two sites, the former Dodmire allotment site in Lascelles Park and land off Arnold Road south of the Eastern Transport Corridor is to be undertaken. Other locations may emerge as these sites are studied. Relocation will only be considered if appropriate locations can be identified and after adequate consultation.
33. Subject to the Council supporting this course of action, the Council will need to:
- (a) agree in principle to the relocation of the allotments;
  - (b) agree to commence a consultation process for the relocation of the allotments.

### ***Council Depot***

34. The regeneration of Haughton Road site provides the Council with a timely opportunity to consider the operational efficiency of the Council depot and its likely future land and accommodation requirements.
35. An evaluation of sites for the Council depot relocation is currently underway. The preferred site is on land owned by the Council to the rear of Cummins off Yarm Road/Salters Lane. TVR will carry out feasibility work for this area. It will then be necessary for the Council to

agree to the relocation of its depot site to an agreed site (subject to the development being able to provide funding for a like-for-like replacement of the depot, with no capital funding input provided by the Council unless enhancement of the current facility was proposed).

### *Layout*

36. A comprehensive masterplan, based on detailed research, is expected to be available for consultation in September. TVR will then conduct widespread consultations on a draft masterplan before finalising it.

### *Environmental Issues*

37. The required Environmental Impact Assessment will be submitted as part of the Planning Application for the site.

### *Sustainability*

38. This site is being promoted as a 'Flagship Site' and it should therefore be a demonstration site for best practice in the Governments Sustainable Development Principles. This will need to be reflected in the design, and the masterplan needs to provide guidance for the various uses on the site.
39. The supporting documentation for the masterplan will provide this guidance and highlight how this can be achieved. A travel plan for the site will be required to minimise traffic related impacts on Darlington.

### *Overhead Power Lines*

40. As part of the college proposal and the preparation of the masterplan, it became clear that the removal of the existing overhead cables, and routing them underground mainly via the existing Highway network, would be highly desirable.
41. Detailed design identified the need for a new terminal tower on the former allotment site at Arnold Road, to link the underground cables to the remaining overhead network.
42. The Council will be required to grant associated easements and wayleaves to NEDL for a nominal payment of £1. **The easements and wayleaves are shown on Plan 2 attached.**
43. Funding for this aspect of the project (approximately £ 2 million) is to be provided partly by English Partnerships (EP) (£ 1.2 million), as part of their contribution to the joint venture development, and partly by the College.
44. The need to progress this programme ahead of the development of the Houghton Road site has been identified, to enable the College development to proceed. To achieve this, EP will be required to place a firm order for the works with NDEL within weeks.
45. Should the Houghton Road project not proceed, then EP would require a share, through a joint venture, in the enhanced development value of the Councils landholdings, resulting from the undergrounding of the power lines.

46. EP is prepared to commit the expenditure provided that the Council underwrites their risk and contributes through a joint venture arrangement over and above the £ 1.2 million if the Haughton Road project should not proceed, reflecting the enhanced value of the Council's land.
47. The principles of the EP proposals have been discussed but are yet to be negotiated with the joint venture partners, and a detailed proposal will be submitted for consideration in due course.

### ***Darlington College***

48. The college purchased the North West corner of the site and have secured approximately £30 million funding for their project. College representatives form a permanent part of the Masterplanning working group. The college design includes Nursery and Sports Facilities for use by students and business people from the proposed Haughton Road development as well as by the wider community.
49. Ideas for the college construction and maintenance courses to provide maintenance and repair facilities for the public open spaces and parks around the development are being evaluated. The college provides a bistro to support their catering courses, which will be open to the public. Due to funding requirements, the development timescale for the college is factored into the masterplan delivery timeframe to ensure the college's success.
50. Minor changes to the college may result from the emerging masterplan, but the size and location of the building will remain unchanged from those shown on the Planning Application, thus enabling construction to proceed.

### ***Public Art***

51. Public Art is an integral part of both the masterplan and the college proposals. Tees Valley Regeneration have a representative from the Arts Council leading the overall public art efforts. This is part of a coordinated approach throughout the Tees Valley Regeneration Strategic Projects.
52. Existing initiatives are encouraged to become part of the overall scheme to ensure a cohesive approach. For example, the Darlington proposal to provide decorative treatment for the two Yarm Road railway bridges is now being integrated into Public Art considerations for the retaining walls to the south and the link through towards the Town Centre. A substantial preliminary budget has been set in the initial cost plan for public Art at the Haughton Road Site.

### ***Financial Aspects***

53. TVR have commissioned a comprehensive business plan as part of the Masterplanning process which will:
  - (a) Detail all expenditure for the project and anticipated outputs such as number of dwellings, extent of commercial floorspace.



- (b) Quantify risks and suggest remedial actions.
  - (c) Consider options and dismiss unsuitable options from the development.
  - (d) Incorporate a full economic appraisal, which will enable an overall value for money assessment to be made. This will also be used as the required bidding document to Central Government for their financial sign off for the project.
  - (e) Confirm roles of partners.
  - (f) Produce a cash flow model, which will compare returns with investment.
54. It is the aim of the project to achieve the development of Houghton Road in a cost neutral way. This in effect means that the relocation of the Council depot and the allotments would become costs against the development and be offset against the profits generated by the project.
55. Financing will be met from the value generated by the Council's land and public sector funding.

### ***Public Consultation***

56. Detailed plans for public consultation are being finalised alongside the Masterplan. It is anticipated that widespread consultation with local communities, stakeholders and interest groups will take place from September onwards.
57. In addition to the wider public consultation on the Masterplan, the primary identified areas requiring specific additional consultation are:-
- (a) The relocation of the allotments;
  - (b) Consultation on Compulsory Purchase Orders for some of the properties in the Green Street commercial area, if required;
58. Tees Valley Regeneration will lead the planning for the necessary public consultation and will retain specialist consultants where appropriate. However, Council Officers will also be involved throughout. To produce an integrated approach, the early briefing and involvement of Members, together with the development of the appropriate mechanism to provide Members with regular updates, are forming a main element of the developing strategies. Feedback from Members will be an essential part of the process.

### ***Outstanding Issues***

59. As is clear from this report, a number of issues relating to the masterplan for the site will still require resolution. These include:
- (a) The finalisation of the allotments relocation strategy, including the identification of acceptable sites and the consultation required to facilitate this outcome.

- (b) The broader strategy on communication and public consultation for the Masterplan and the management of public expectations;
- (c) The provision of suitable guidance in an acceptable form, to enable the development to proceed ahead of the Local Development Framework.
- (d) Resolution of the detailed aspects of the masterplan and land uses;
- (e) Resolution of the funding aspects for the undergrounding of the overhead power lines.
- (f) The Council's consideration of the various issues highlighted in this report;
- (g) A sustainability strategy for the development of the site;
- (h) A marketing strategy, commensurate with the objectives identified for the Masterplan;
- (i) As part of the Planning Application, consider appropriate legal mechanisms for ensuring compliance with planning obligations (including traffic) for the site;
- (j) Agreement on the delineation between open space in the public realm and in private ownership and agreement on the ongoing management of the open space proposed.

***Preliminary Development Timescale***

60. The Tees Valley Urban Regeneration Company have provided the following draft timetable for the development of Haughton Road:

2004	<p>Consult on Masterplan and revise accordingly;          Complete Masterplan and submit funding application for approval;          Submit planning application;          College construction commences October 2004;          Overhead Electricity cables undergrounded and pylons removed by December 2004;          Continue acquisition of properties in the existing Yarm Road commercial area by agreement;          Funding approval anticipated November/ December 2004;</p> <p>Commence procurement of Site and Buildings for the Council depot relocation.</p>
2005	<p>Procurement and construction of New Haughton Road Junction;          Darlington Depot relocation;          Procure and execute necessary off-site drainage improvements;          Allotments relocated by agreement during 2005;          Commence CPO on Yarm Road Commercial area;          Preliminary site clearance and sundry demolitions (Depot buildings and pylon foundation bases).</p>
2006	<p>Commence remediation and initial phase of site assembly (anticipated to be Haughton Road end initially);          College opens September 2006;          CPO ends May/June 2006;</p>

- Commence design and procurement of Yarm Road entrance works – demolitions, Structural retaining wall works, Highway works;
  - Procure house builder partnerships;
  - Procure developer involvement;
  - Execute remaining site remediation, site assembly and offsite Highway infrastructure works.
- 2007 - 2010 Construction work – House building initially, then commercial.

### ***Conclusions***

61. The emerging masterplan appears to be responding positively to the documented purpose and identified objectives for the site. The masterplan will be brought to Cabinet for consideration in due course.

### **Outcome of Consultation**

62. This report is seeking authorisation for widespread consultations to take place. Information consultations have taken place with stakeholder organisations who are supportive of the approaches proposed.

### **Legal Implications**

63. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

### **Section 17 of the Crime and Disorder Act 1998**

64. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

### **Council Policy Framework**

65. The issues contained within this report do not represent change to Council policy or the Council's policy framework

### **Key Decisions**

66. This report represents a Key Decision because it affects more than one ward.

### **Decision Deadline**

67. For the purpose of the 'call-in' procedure this does not represent an urgent matter

## **Recommendation**

68. It is recommended that :-

- (a) Council participates in the project as a landowner;
- (b) The Council depot be relocated to a location off Yarm Road/Salters Lane to be agreed as part of the project, subject to this being achieved in a cost neutral manner;
- (c) Tees Valley Regeneration be authorised to commence a consultation process with current holders of allotments in Hundens Lane;
- (d) Officers be authorised to negotiate Heads of Terms for a development agreement and report to Cabinet.
- (e) The undergrounding of the power lines as part of the project be supported and that members approve the grant of easements and wayleaves to NEDL as detailed in the report.
- (f) Officers be authorised to negotiate with English Partnership and other joint venture partners the proposal for the Council to contribute to the cost of undergrounding the power lines, as outlined in the report, and report to Cabinet in due course.
- (g) The Borough Solicitor be authorised to complete the required documentation.

## **Reasons**

69. The recommendations are supported by the following reasons :-

- (a) To implement the regeneration and economic development aspects of the Community Strategy and the Tees Valley Vision.
- (b) To engage the public and interested parties in developing plans and proposals for this area.

**John Buxton**  
**Director of Development and Environment**

## **Background Papers**

Darlington Gateway Development Framework - Final Report 14 January 2003

Theo Van Looij : Extension 2047  
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