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TOWN CENTRE REGENERATION

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**Responsible Cabinet Members – Councillor Bill Dixon, Leader  
Councillors Chris McEwan, Economy and Regeneration Portfolio  
Councillor Stephen Harker, Efficiency and Resources Portfolio  
Councillor Nick Wallis, Leisure and Local Environment Portfolio  
Councillor David Lyonette, Transport Portfolio**

**Responsible Directors – Richard Alty, Director of Place  
and Paul Wildsmith, Director of Resources**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To inform Members about the recent work regarding the future regeneration of the Town Centre and to gain agreement on the principles that will guide this, the vision for the Town Centre, the future of the Town Hall and the use of Council land for development. This report makes specific recommendations regarding the development of a food store on Council land.

**Summary**

2. In response to a specific development enquiry for a food store on the edge of Darlington Town Centre and in the context of a decision having to be taken regarding the Council's office accommodation needs, in particular the future of the Town Hall, an extensive piece of technical work and public engagement has been undertaken.
3. The results of both the consultation and technical work have been used to make a series of recommendations relating to the regeneration of the Town Centre and the use of Council land to help to facilitate this.
4. The consultation process leading up to these recommendations is outlined in **Appendix 1**. A 'planning for real' style approach was used where the public were invited to share their vision for the Town Centre as a whole, alongside the specific questions posed about the future of the Town Hall and the possibility of a new food store in or close to the Town Centre.
5. Extensive technical work has been undertaken by officers, which has been used to formulate the recommendations and this has been supported by the commissioning of

an updated Retail Impact Assessment from England and Lyle. This report is available as a Background Paper and a summary of both this and the work of officers is included in **Appendix 1**, and referenced in this report.

## Recommendations

6. It is recommended that :-
- (a) The core development principles for the Regeneration of the Town Centre are agreed as described in paragraphs 29 and 30.
  - (b) The vision for the Town Centre is agreed as described in paragraphs 34 to 35.
  - (c) The medium term ambitions for the Town Centre are agreed as described in paragraph 36.
  - (d) The proposals for the future development around the Town Hall are agreed as described in paragraph 37.
  - (e) Officers are asked to work with potential developers to see whether a food store of limited size on Northgate could deliver the benefits set out in paragraph 49.
  - (f) Members agree the medium term future strategy for the Council's Town Centre office accommodation as described in paragraphs 51 to 55.
  - (g) Agree that further work is undertaken on a number of matters, which came out of the consultation process as described in paragraph 59. These are detailed in **Appendix 1** with specific action plans as appropriate. The areas of work are:-
    - (i) Coach Facilities
    - (ii) Bus Stops and Routes
    - (iii) The Indoor Market
    - (iv) Skinnergate and Duke Street Public Realm and Parking
    - (v) A Detailed Car Parking Strategy
    - (vi) Strategies for Privately Owned Sites
    - (vii) Linked Infrastructure Projects with the Town Centre Fringe
    - (viii) The feasibility of delivering a department store in the Town Centre
  - (h) A capital sum of £40,000 is allocated for feasibility work in relation to the potential refurbishment and creation of a new vision for the Indoor Market, this to include alternative uses for the Old Town Hall.
  - (i) A sum of £70,000 be reprogrammed from the Local Transport Plan for feasibility work in relation to a multi-storey car park and remodelling of the North Road/Inner Ring Road junction.
  - (j) Members note that further funding will be required to deliver the ambitions set out in this report, and request officers to bring back a detailed funding strategy.

- (k) *The locational elements of the strategy and proposals in this report be agreed for inclusion in the Preferred Options Making and Growing Places Development Plan Document.*

### **Delegations**

7. The Director of Place and officers to continue negotiations with the landowners and developers with an interest in the land adjoining Northgate/Garden Street to develop a scheme within the parameters outlined in the Recommendations.
8. Any proposals will be reported to Cabinet for agreement to release Council land.

### **Reasons**

9. The recommendations are supported by the following reasons:-
  - (a) To support the economic and physical regeneration of the Town Centre in line with the Local Plan Adopted Core Strategy and in the context of the National Planning Policy Framework.
  - (b) To make the most efficient use of Council resources and assets to support the viability of the Town Centre.
  - (c) To provide certainty to the development industry, the public and Council staff over the future of the Town Hall building and site.
  - (d) To support the further work required to ensure that the Town Centre continues to thrive.
  - (e) Current spending on the Local Transport Plan programme will allow feasibility work to be funded without detriment to other planned priorities.

**Richard Alty, Director of Place**

### **Background Papers**

England and Lyle Retail Capacity and Impact Study  
Darlington Borough Council Adopted Core Strategy 2011  
Adding to Quality – A Strategy for Darlington Town Centre 2001  
Consultation responses

Timothy Crawshaw: Extension 2048

S17 Crime and Disorder	The recommendations of the Report are designed to increase the vitality, footfall and vibrancy of the Town Centre. The physical works that could be undertaken as a result of the recommendations will be designed to ensure that crime and fear of crime is minimised. The range and mix of uses proposed are designed to ensure a wide range of time where activity will take place, increasing passive surveillance.
Health and Well Being	The recommendations are intended to add to the vitality and public goods within the Town Centre. One of these is the improvements to the River Skerne and improved pedestrian and cycle access across and around the inner ring road. These public realm works may promote healthier transport choices. The regeneration of the Town Centre will improve feelings of belonging and identity and the economic regeneration will provide jobs and financial security.
Carbon Impact	There may be opportunities following the recommendations of this report to reduce carbon impact through the use and investment in Council buildings. By focussing activity in the Town Centre carbon emissions from transport may be reduced.
Diversity	None of the immediate recommendations have a significant impact directly on matters of diversity. Where further work and consultation is required this will be done in such a way as to be inclusive and with diversity as a key theme. The consultation process undertaken was backed up and informed by an Equalities Impact Assessment
Wards Affected	All
Groups Affected	All
Budget and Policy Framework	This report requests reprogramming of LTP funds and to release of an additional capital sum of £40,000 which can be accommodated within the capital programme
Key Decision	Yes
Urgent Decision	No
One Darlington: Perfectly Placed	The proposals strongly support the 'Perfectly Placed' priority and the following themes. Prosperous: The vitality of the Town Centre is a key component in the vision for the future of Darlington. These recommendations are designed to support the Town Centre in terms

	<p>of its economic wellbeing, distinctive character and market town atmosphere.</p> <p>Aspiring: The Town Centre Regeneration described in this report has been developed through consultation with schools and colleges. The recommendations include links to the Town Centre Fringe project that features in this theme as an opportunity to support the arts and cultural industries.</p> <p>Healthy: A walkable and accessible Town Centre is part of the aspirations set out in this report both through the core principle of cherishing the riverside for amenity and access and the development opportunities being explored to the north of the Town Centre at Northgate roundabout.</p> <p>Greener: The distinctive character of the Town Centre is a key strand in this report. The principle of cherishing the River Skerne contributes to the ambitions of this theme.</p> <p>Safer: The vitality of the Town Centre is has a key contribution to make to the safety of the town. The vision for the Town Centre has a number of actions that will support community safety.</p>
Efficiency	<p>The recommendations of this report have some implications for resources and expenditure. Most of the additional work required in the recommendations are continuations of work already committed. Certainty provided over the future of the Town Hall allows long term decision making that could allow efficiency savings. The use of Council owned land may generate a land receipt that could be applied to the physical regeneration of Town Centre.</p>

## MAIN REPORT

### Information and Analysis

#### Drivers of the Town Centre Regeneration Strategy

10. There are three main drivers that have prompted the Council to reconsider its Town Centre Regeneration Strategy. These are:
  - (a) Changing planning context
  - (b) Developer interest
  - (c) The use of local authority assets in regeneration
11. The recent National Planning Policy Framework (NPPF) has changed the way that Town Centres are considered in terms of planning decisions. In summary the NPPF identifies Town Centres and edge of centre sites as the location for retail and office development in preference to others and, to assist this, the demonstration of need incumbent upon the applicant has been relaxed. Local authorities are instructed to have a flexible approach in terms of format and scale for new development in and around Town Centres and this opens up the possibility of a wider variety of sites being suitable for retail development for example within and around Darlington Town Centre. This has no doubt informed developer activity in recent months.
12. The emerging Town Centre Fringe Masterplan has also stimulated interest in the town as an attractive location due proposed improvements to the River Skerne and the environment and connectivity across the inner ring road.
13. Darlington Town Centre continues to perform well and as such is still an attractive location for a number of new uses.
14. The Council has been approached in recent months with various development enquiries and, specifically, for the Garden Street Car Park to the north of the Town Centre for both cinema and or retail uses. The recent successful procurement of a preferred developer for the Feethams Cinema scheme has demonstrated a confidence in Darlington both in terms of demand and the Council's clear strategy in terms of planning and regeneration. This procurement was in the context of Darlington being of interest to developers for specifically leisure development. Over recent months and years, despite the economic downturn, Darlington has remained attractive to developers and this poses significant opportunities and challenges.
15. There is still evidence of demand for larger footprint fashion and other non-food retail units that would have been the key offer of the Oval Shopping Centre and the Council is currently in a Development Agreement to deliver such units on the site. That development has been affected by the decision of Debenhams, the potential anchor tenant, to pursue a location in the Cornmill Centre/Northern Echo complex.
16. Evidence from the Economic Strategy work highlighted continued latent demand from medium and small businesses for high quality office space within the Town Centre. However each interest in itself is insufficient to generate critical mass to

fund office buildings. In addition interest has been expressed in the past from other public services about Town Centre offices.

17. In addition the Council is in the process of considering its own accommodation needs in the context of an ageing and inefficient Town Hall building and a contracting workforce. Also, opportunities might exist in joint consideration of accommodation needs with other public sector agencies, reducing costs and cost savings.
18. The Council is also able to use any receipts generated to re-invest in the Town Centre regeneration and can enhance values by property investment in the public realm such as the River Skerne Corridor.
19. The Government is changing the rules regarding local taxation. This is designed to stimulate economic growth through a number mechanisms including:-
  - (a) Enabling local authorities to retain a proportion of the business rates growth generated in their area, providing them with strong financial incentive for them to promote local economic growth.
  - (b) Enable local authorities to carry out Tax Increment Finance, giving them the ability to undertake borrowing against future business rates growth, supported by the forecast tax increment that accrues from additional development. However, such schemes are subject to Government approval and are approved with an overall financial limit.
  - (c) New Homes Bonus – a top slice from Revenue Support Grant repaid in accordance with the number of new dwellings built.
20. These changes have provided an opportunity for the Council to consider how best it can use its own assets in and around the Town Centre for maximum regeneration benefit.

### **Responding to the Challenges and Opportunities**

21. Darlington Town Centre is the Council's first priority in terms of planning and regeneration. The significant investment made in the form of the Pedestrian Heart has helped to maintain Darlington's position as a vibrant and competitive Town Centre. Vacancy rates are comparatively low and footfall remains strong despite difficult trading conditions. The starting point for this work was based around the current policy and strategy framework that has served the Town Centre well and recognises the strengths to build on such as Darlington's vibrancy, varied shops and businesses, and strong performance allied to its distinctive character.
22. In order to meet the challenges and opportunities some key themes were used as a starting point. These were:-
  - (a) The Town Centre needs to stay in balance to ensure that footfall remains strong in all areas.

- (b) The ambition to develop the variety of businesses and further reinforce the Town Centre as the focus for shopping, leisure, business and the social intercourse that gives vibrancy to the town.
  - (c) The work that was done in developing the Feethams Planning and Development Brief with the Feethams and Markets Working Group.
- 23. The Town Centre is a key feature of the Local Plan. Policy CS7 (The Town Centre) seeks to safeguard and enhance the Town Centre by protecting and promoting its role as the sub-regional centre for the western part of the Tees Valley City Region and neighbouring parts of North Yorkshire and South and West Durham, including its role as a market town
- 24. It is therefore the locational focus for the development of retail, office, leisure, entertainment, intensive sport and recreation, arts, culture, tourism, and other main Town Centre uses needed within the Borough. Such uses are encouraged and directed there as a first preference.
- 25. In addition Policy CS8 (Additional Retail Provision) sets out the need for additional retail floor space in the borough until 2026. It indicates that although there is no quantitative need for additional convenience retail floor space in the borough before 2021, there is expected to be a need for an additional 2,000sqm gross floor space in the later years of the plan period, that should be located in existing centres and where it will remedy qualitative local deficiencies in the geographical distribution of food shopping.
- 26. As discussed earlier the National Planning Policy Framework (NPPF) confers importance to the role of Town Centres and sets the challenge to plan for growth in around the Town Centre. The test of need is no longer a requirement for retail development.
- 27. The NPPF adopted in March 2012, requires planning policies to be positive, promote Town Centre environment and set out policies for the management and growth of centres over the plan period. It requires Local Planning Authorities to:
  - (a) Recognise Town Centres as the heart of their communities and pursue policies to support their viability and vitality.
  - (b) Define a network and hierarchy of centres that is resilient to future economic changes.
  - (c) Define the extent of Town Centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations.
  - (d) Promote competitive Town Centres that provide consumer choice and a diverse retail offer and which reflect the individuality of Town Centres.



- (e) Retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive.
  - (f) Allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in Town Centres. It is important that needs for main Town Centre uses are met in full and are not compromised by limited site availability.
  - (g) Allocate appropriate edge of centre sites for main Town Centre uses that are well connected to the Town Centre where suitable and viable centre sites are not available.
  - (h) Where Town Centres are in decline, plan positively for their future to encourage economic activity.
28. In the context of the above challenges and opportunities a number of key questions emerged to drive discussions and investigation:-
- (a) What would be the appropriate mix of uses that we should seek to support the continued vitality of the Town Centre?
  - (b) In particular what would be the impact of a food store on the Town Centre and other out of town shops? Would this add to the town's offer or detract from it?
  - (c) If these uses are of a positive impact where should they be located? Can the Council influence where they should be located and not leave it wholly to the planning process?
  - (d) What is the appropriate use of the Council's land assets, including Town Hall asset in these circumstances?

### **The Core Development Principles**

29. An extensive public participation and consultation exercise was undertaken. The details of this are described later in the report and in **Appendix 1**. Based on this engagement a number of core principles were developed to guide the future regeneration of the Town Centre.
30. A series of events were undertaken with local schools and colleges to give younger people the opportunity to play the 'Regeneration Game' and express their vision for the Town Centre. Sessions were held at Northwood School, Harrowgate Hill Primary School, St Bede's Primary School and Queen Elizabeth Sixth Form College.
31. Overall many of the views that were expressed by the wider public were represented however younger people specifically asked for more leisure facilities in the Town Centre, more greenspace and family orientated activities to be promoted.

32. The key development principle is:-

“A thriving Town Centre is a key priority, maintaining a balance between different geographical areas is an important part of this”.

33. In addition a further eight core principles have been developed from the technical work and consultation:-

- (a) It is important to focus development in and around the Town Centre.
- (b) Any development proposal will have to have a range of uses.
- (c) It is important to maintain and provide office accommodation in the Town Centre.
- (d) Darlington’s distinctive character must be protected and enhanced.
- (e) The balance between different parts of the Town Centre needs to be considered when development takes place.
- (f) It is important to support the Markets as a key asset in terms of Darlington’s heritage and future vitality.
- (g) Transport policy and strategy must help Darlington thrive.
- (h) The River Skerne is an important feature and is an opportunity for new public realm improvements.

### **The Vision for the Town Centre**

34. Based upon the Local Plan, the existing Town Centre Strategy (Adding to Quality 2001) and the Feethams Planning and Development Brief, in addition to the recent public consultation and technical work, a vision for the Town Centre has been developed. The vision briefly comprises:-

- (a) A focus on leisure and office development in the Feethams area, building on the successful procurement of the cinema and hotel development and the already established office uses of the Town Hall, Beaumont House, etc.
- (b) The further promotion of the larger shops for non-food retail, for example, fashion to the north of the Town Centre, with a possible expansion subject to the delivery of improvements to the road network.
- (c) Improvements and investment in the Covered Market and the further development of the offer of the markets in general.
- (d) The continued support of the independent retail sector to the south and west of the Town Centre.

- (e) The rationalisation/improvement of bus and coach facilities to improve access and further enhance the public realm in the Pedestrian Heart.
  - (f) Improvements to the accessibility, convenience and quality of car parking facilities.
  - (g) The development of the evening economy and the cultural life of the town, focussed on the Town Centre.
35. Much of the above vision confirms the strategy that the Council has taken for a number of years; with the consequence that Darlington continues to have a successful and competitive Town Centre.

### **The Medium Term Ambitions for the Town Centre**

36. To support a thriving Town Centre a number of public goods will have to be delivered to stimulate and complement committed and proposed developments. In addition there are ambitions to secure particular developments to increase the vitality and vibrancy of the Town Centre and maintain a balance. The key ambitions which the Council would seek to achieve, working with partners would be:
- (a) Improvements and investment in the Covered Market.
  - (b) The enhancement of the riverside environment at Feethams.
  - (c) Influencing the future of the former JJB sports site.
  - (d) Junction improvements at Northgate roundabout to release land, enhance connectivity and assist in the regeneration of the wider area.
  - (e) Car parking in the Feethams area to support the cinema and assist in the release of the remaining sites.
  - (f) Improved coach facilities.
  - (g) A rationalisation of the bus stops and potential further pedestrianisation.
  - (h) Proposals to help improve business on Skinnergate and Duke Street.
  - (i) Attracting another department store to the Town Centre.
  - (j) Achieving development on Commercial Street for larger unit shops which attracts retailers not already in Darlington, who would in turn attract more shoppers to the Town Centre.
  - (k) Achieving office development in the Beaumont Street area.

## **The Future of the Town Hall**

37. There is no overriding case in the short to medium term to release the Town Hall site for development. This is based on the following factors:-
- (a) There is a desire to retain the Civic and office function of the Council in the Town Centre as this is an accessible location, and office workers in town support the economy.
  - (b) Increased land values that could be a consequence of the Feethams Cinema development have yet to be understood and realised, the current land value remains depressed.
  - (c) The energy and resources that were used to construct the Town Hall would be wasted if the building were to be demolished.
  - (d) Whilst the cinema is being constructed the redevelopment of the Town Hall would cause added disruption.
  - (e) Significant opportunities and incentives are available to realise a low carbon solution to the refurbishment of the building and the sharing of plant and energy with the Dolphin Centre.
  - (f) Any required multi-storey car parking, to unlock the rest of the Feethams sites, could be accommodated to the rear of the Town Hall without compromising the long-term development of the site.

## **A Landowner Decision Whether to Make Land Available for a Food store**

38. The public consultation and participation process strongly suggested that there were significant concerns over the development of a large supermarket that would sell comparison goods.
39. An updated technical report on the impact of a new food store or supermarket has been undertaken with two locations under consideration namely the Feethams area and to the northern edge of the Town Centre.
40. It can be argued that there is a qualitative need for a further Town Centre or edge-of-centre supermarket within Darlington. This is concerned with consumer choice in terms of ensuring an appropriate distribution of locations for development to improve accessibility for the whole community, and ensuring a range of sites for shopping and other uses, which allow genuine choice to meet the needs of the whole community. It is considered that the development of a supermarket to the edge of Darlington Town Centre would enhance the retail attraction of the town to shoppers, and so help to improve its vitality and viability and increase consumer choice and competition in the town as a whole.
41. A technical analysis also indicates that a new supermarket would be likely to attract expenditure back to Darlington that currently goes to stores outside of the catchment area, e.g. in Bishop Auckland and Northallerton.

42. The main changes in shopping for convenience goods are predicted to be at the expense of the larger out-of-centre Morrisons at Morton Park, but also Morrisons at North Road, Asda at Whinfield and Sainsbury's.
43. The predicted loss of trade from the Town Centre and district and local centres is relatively small. Overall impact across the borough is 6.2%.
44. Trade diversions are much lower in comparison (non-food) goods because the comparison (non-food) turnover of the potential supermarket is relatively small, and the competing centres and stores have a relatively high comparison turnover.
45. The report considers that a new supermarket development on the edge of the Town Centre would not have any adverse impact on planned investment in the town Centre.
46. The Town Centre has a relatively high level of vitality and viability, and this is normally accepted as being an indication that a centre will be able to withstand competition with a new retail development without any concern that the vitality and viability of the centre would be adversely affected to a significant extent. Trading impacts on Town Centre are predicted to be 0.6% overall.
47. Recent appeal cases have shown that a higher trading impact have been seen to be acceptable (12% overall impact on a Town Centre with a high level of vitality and viability has been seen to be acceptable). In August 2012, post NPPF, a food store was allowed in Newport, where the inspector concluded that a 9% convenience impact on an 'attractive and relatively prosperous small market town' was 'relatively modest'.
48. Through the public consultation and participation work the north of the Town Centre and northern edge of centre was seen to be more acceptable to accommodate a food store.
49. A proposal to accommodate a food store of around 4000m<sup>2</sup> (gross) is being explored in the Garden Street area. The developers who have adjoining land interests have been briefed as to the Council's ambitions for the site and any development will be predicated on:-
  - (a) The replacement of Northgate roundabout with a signalised junction facilitating improved pedestrian connectivity at street level.
  - (b) A street frontage that allows pedestrian access as a continuation of the shopping offer of Northgate to the north to promote linked trips into the Town Centre.
  - (c) The design of the building being of at least two storeys and of a quality that is suitable for a prominent gateway site such as this.

50. This would allow the development of a food store immediately across a (narrower) road from Marks & Spencer, connected to the Town Centre by a surface level crossing. The food store would then be well connected to the Town Centre with shoppers likely also to use Town Centre shops.

### **The Future of the Council's Town Centre Office Accommodation**

51. In the medium to long term the Council needs certainty in terms of the location and facilities of its office function. As there is no overriding need to bring the Town Hall site forward for development it is proposed to instigate a prudent and appropriate investment plan for the short to medium term.
52. On-going dialogue with public sector agencies, government departments and related private companies will help to determine whether there is scope to create a campus of offices, helping the retention or creation of jobs in Darlington in the Town Centre, and there may be scope to share facilities, energy generation and facilities management.
53. Over the last few years the Council pursued a strategy of consolidating staff accommodation into its freehold buildings, namely the Town Hall, Central House Complex and the depot in Vicarage Road. This has involved remodelling the Town Hall and bringing into use spaces not previously used as offices such as the former print room and former Kids and Co nursery. Currently, the north end of the second floor is being remodelled and refurbished to accommodate Xentrall ICT from the Studios at Lingfield Point. In addition, consideration is being given to extending and improving the customer centre to provide improved customer facilities and to accommodate more users that will arise, for example, from welfare reforms.
54. Although these buildings are in some need of upgrading they are structurally sound and relatively cheap to run. The Town Hall in particular has suffered due to uncertainty regarding its future and various options have been looked at over the last few years. With the continuing uncertainty over Council funding and the future shape of the organisation coupled with the cinema development it is recommended that we continue with incremental remodelling as required and modest investment until such time as a stay or move decision is made.
55. The attraction of further office users to the Feethams area remains a priority. There has been varying degrees of developer interest and also discussions with public sector partners all of which have not materialised into firm plans; although the recent announcement that DfE will leave Mowden Hall re-emphasises the importance of working with them to secure their future within Darlington.

### **Bus Facilities**

56. Public consultation and participation revealed a concern about the existing bus stop facilities. This ranged from the congested nature of stops outside the Cornmill Centre, the clarity of where to catch buses from within the Town Centre to issues concerning the perception of safety and environmental impacts of buses "within the Pedestrian Heart". Some people initially said that they would like a bus station in the Town Centre. Within the Regeneration Game context many decided that there

was no ideal location for a bus station but those that did suggest a location focused on the Commercial Street area of the Oval development or The Feethams area. For the purposes of this report regarding Council land an analysis has been undertaken as to the feasibility of this being accommodated.

57. The Council-owned sites in the Town Centre have been considered and none of these provide an opportunity for a bus station due to the following reasons:
- (a) A number of sites are under development agreements or proposed development agreements that do not include this use.
  - (b) The scale of bus station required for the town would not fit on any of the sites without compromising the character of the Town Centre or have sufficient access.
  - (c) Some Town Centre sites have problems with connectivity, proximity to shops and are unsuitable due to their sloping nature.
  - (d) The development of a bus station on these sites would prejudice the delivery of the primary land uses and activities considered to be important to the future vibrancy and vision for the Town Centre as evidenced elsewhere.
  - (e) Arriva, the main bus operator has indicated they do not wish to operate from a bus station.
  - (f) The costs to the Council of developing a bus station and running it is prohibitive in the current economic climate and would not deliver significant strategic economic benefits in comparison to investment in other economic uses and activities.
  - (g) It is found in previous consultations that most bus users want to get on and off buses within the Town Centre and not to walk from a bus station outside the heart of the Town Centre. This is what Arriva's customers tell them.
58. However, it recognised that the current bus waiting arrangements are regarded as needing improvement and it recommended that further work be done to explore how this could be achieved in the context of the overall context of future uses and the associated transport plans for the Town Centre.

### **Further Work Required**

59. Through the public consultation and participation process a number of areas of work have been identified. These require further engagement and technical work and are described below, with action plans for their delivery as appropriate.

- (a) Coach facilities

Work needs to be undertaken to understand the needs of coach users, particularly in terms of waiting facilities, toilets and the location and spatial

requirements. The action plan for delivering improved facilities is:

- (i) Discussions with operators and users (Dec 12 to Feb 2013)
- (ii) Development of an overall strategy for coach facilities (March 2013)
- (iii) Incorporation of spatial elements into Making and Growing Places Development Planning Document (May 2013)
- (iv) Delivery in line with priorities for public goods (Post May 2013)

(b) Bus Stops

There needs to be a better understanding of the needs of bus users, the routes that buses take in the Town Centre and the facilities that could be required.

The action plan for delivering the required improvements is:

- (i) Public participation and consultation (Dec 2012 – Jan 2013)
- (ii) Discussions with operators (Dec 2012)
- (iii) Development of the overall strategy (February 2013)
- (iv) Development of an investment plan (February 2013)
- (v) Consultation (March 2013)
- (vi) Delivery in line with priorities for public goods (Post May 2013 subject to LTP reserve allocations or other funding sources).

(c) Indoor Market

To look to bring forward a refurbishment project for the Indoor Market that builds on the work previously carried out and refreshes the vision and aspirations for this key Town Centre building which subject to a funded business plan will be delivered by end of 2014. The key actions are:

- (i) To refresh the vision for the markets
- (ii) Develop a new lettings policy based on the vision
- (iii) Work closely with a reference group set up under Darlington Partnership
- (iv) Progress to stage 1 HLF application
- (v) Produce Business Plan
- (vi) Refurbishment
- (vii) New Business Model Implemented (end 2014)

(d) Skinnergate and Duke Street

There have been significant representations made by traders around Skinnergate to ask the Council to consider re-opening this street to vehicular traffic and the possibility of integrating short stay on street car parking. A significant opportunity exists to look at this in conjunction with Duke Street, as there is the potential to change the traffic management and accommodate more parking on this street. An action plan to develop the strategy is:

- (i) Task and Finish Group to consider options. Starting February after Christmas/New Year shopping.
- (ii) Develop a preferred option to feed into the Parking Strategy (March/April).



- (iii) Preferred options to be reported to May Cabinet – links to LTP/Parking Strategy

(e) Detailed Parking Strategy

The emerging Car Parking Strategy for the Borough is in development. A detailed action plan for the Town Centre is:

- (i) Development of Town Centre car parking strategy options, including RPZ options (Dec–Jan 2013)
- (ii) Consultation on options Feb/March(March 2013) reported to May Cabinet
- (iii) Preferred Options for Car Parking Strategy and action plan including Town Centre specific proposals

(f) Privately Owned Sites

A number of privately owned sites in and around the Town Centre are currently empty or potentially could come forward for development in the short to medium term. It is important that these sites make a positive contribution to the Town Centre Strategy and as such briefs need to be prepared. An action plan for delivering these is:

- (i) Discussions with landowners (June/July 2013)
- (ii) Draft briefs commissioned and prepared for consultation (July onwards 2013)
- (iii) Consultation on each brief as required

(g) Links to the Town Centre Fringe and Infrastructure Projects

The Town Centre Fringe Masterplan is nearing completion. This has attracted significant public sector investment and there are potential positive impacts for the Town Centre where these areas meet, both beside the River Skerne and around the inner ring road. These impacts and potential for shared investment needs to be better understood. An action plan for delivery is:

- (i) Identification of shared projects (Dec 2012)
- (ii) Adoption of Masterplan (May Cabinet)
- (iii) Feasibility design stage of projects (Jan – Feb 2013)
- (iv) Consultation (March 2013)
- (v) Delivery in line with priorities for public goods

(h) The feasibility of delivering a department store in the Town Centre

### **Putting the Proposals on a Statutory Footing**

60. This is necessary so that significant weight can be accorded to the proposals when making decisions on planning applications, and to support any bids for external funding. It will also give credibility to the deliverability and Council's commitment to proposals that accord with it.

61. The locational elements of the proposed strategy and specific proposals set out in this report will form the core of site specific proposals for the Town Centre/edge of Town Centre that will be included in the Local Plan. This will be done through the Making and Growing Places Development Plan Document, the Preferred Options draft of which is due to be considered by Cabinet in May 2013, and to be subject to public and other consultations from late May. The plan making process would be the route by which the public and others could challenge the proposals, including through an independent examination.
62. The conclusions of the further work outlined in this report will also inform the preparation of the Making and Growing Places document, though the timing of completion of the work may affect whether this can be included in the Preferred Options document, or whether it can only be incorporated at a later stage; new inclusions after Preferred Options stage on matters likely to be of significant interest to the public or other interests do carry a greater risk of being matters examined in more detail at public examination, with attendant additional costs for the Council and potential for recommendations in the examination report contrary to the Council's wishes.

### **Financial and Corporate Landlord Advice**

63. A major driver for reviewing the Town Centre Regeneration Strategy is the changing role of Council assets in stimulating economic activity. This stems from proposals to return a proportion of business rates back to local councils together with continued exploration of schemes such as Tax Incremental Financing (TIF) and Asset Backed Vehicles (ABV). Such proposals create possible incentives for the Council to explore invest to save models rather than purely cost models.
64. The Town Centre Regeneration Strategy is only as good as its capability of being implemented. This is largely dependent upon the appetite of the market to invest and take risks together with what the Council can do to create conditions for that private sector investment to occur.
65. The Town Centre Vision broadly has three major regeneration focus points:
  - (a) A Civic, Office and Leisure offer focused on the Feethams area; and
  - (b) A retail offer focused in the northern part of the Town Centre focused around the Oval and opportunities adjoining the ring road.
  - (c) Regeneration of the market.
66. It is too early to say how all of the long term vision might be delivered. However, there are similarities with the Town Centre Fringe Work where having a clear vision often generates the funding opportunities. The following menu could form the financial engine that drives these initiatives:
  - (a) Private Sector Investment

- (b) Council Investment
  - (i) Capital-reinvestment of receipts
  - (ii) LTP
  - (iii) Prudential borrowing against future Business Rates
- (c) Local Enterprise Partnership Investment
- (d) Government and other agency schemes e.g. Growing Places Funding, Homes and Communities Agency Investment Plan.

67. Set out below is an explanation about how each element may be financed.

Focus 1 : The Feethams Area	Financial Comment
<p><b>Step 1</b> Cinema and Hotel Site.            Contract let November 2012            Construction 2013/2014            Uses Commence Sep 2014.</p> <p>Requires investment to complete the adjoining river corridor.</p>	<p>Development commercially viable. Generates a receipt to Council and Homes and Community Agency.(HCA)            HCA wish to recycle receipt back into further Darlington regeneration opportunities.            DBC gains from new business rates on new development.            DBC freed from Business rates for car parking.            DBC income from car parking displaced            BID gains on additional business levy.</p> <p>It is anticipated that Cinema and Hotel together with river corridor improvements will lead to a rise in land values in the Feethams area.</p>
<p><b>Step 2a</b> Feasibility Study for car parking to facilitate release of Feethams Area for further development.</p> <p>Feasibility needs to investigate detailed design solution for multi storey on Feetham sites, costs and business model.</p> <p>Assumes construction to commence 2014/15 shortly after practical completion of cinema and hotel site.</p> <p>Outcome is continued certainty of car</p>	<p>Resource for feasibility of design and business model required to produce design solution. £30k. LTP reprogramming could provide this.</p> <p>The relationship of decisions taken within the car parking strategy will be an important variable that will influence usage of the car park.</p> <p>Business rates would be payable on car park and levy to BID.</p>

<p>parking to support Town Centre existing and proposed uses and therefore unlocks other Feethams sites and enhances values in terms of access to convenient and secure parking.</p> <p>(NB may need to be flexible on timetable if market demands earlier delivery.)</p>	
<p><b>Step 2b</b> Investment Plan for the Town Hall to be developed.</p> <p>In parallel with the parking solution in 2a a five to ten year investment plan for the Town Hall should be developed.</p> <p>Strategy should be integrated with car park options to understand flexibility of design solution to accommodate:-</p> <ul style="list-style-type: none"> <li>• stand alone car park</li> <li>• extension or alterations to Town Hall</li> <li>• demolition of single storey element and new developments around car park</li> <li>• active frontages to river and St Cuthbert's</li> </ul>	<p>A prudent and appropriate investment plan for the short to medium term, to address the issues set out in paragraphs 51 to 55, will require some Council capital expenditure.</p>
<p><b>Step 3</b> Develop and promote development on Feethams sites.</p> <p>Approximate capacity for 10,000 sqm of floorspace.</p> <p>Assumption is alternative car parking provision to be ideally needed to be provided before release of sites. However may need to be balanced with job opportunities through market demands.</p> <p>All things being equal would not expect development to commence until 2015 unless specific users come forward.</p>	<p>Office market is currently flat in terms of speculative provision. Evidence of latent demands by smaller companies but risk of vacancies should speculative development be contemplated.</p> <p>Too early to predict funding model at this stage.</p> <p>Continue to explore potential public sector and related opportunities to see whether any requirements could stimulate development.</p>
<p><b>Focus 2 : Town Centre Retail</b></p>	<p><b>Financial Comment</b></p>
<p><b>Step1a.</b> Explore Garden / North Road area for a food store subject to securing public goods in relation to</p>	<p>Putting aside the investment required for the junction improvement the overall development opportunity</p>

<p>junction improvements and enhancements to the river corridor.</p>	<p>should return a net benefit to the Council from both receipts for the Garden Street Car Park and additional business rates.</p> <p>Taking into account the investment for the junction improvement it is likely that public funding would be required to bridge the funding gap. More detailed work is required to both model possible design and funding models. £40,000 feasibility budget required to consider junction improvements LTP reprogramming could provide this.</p>
<p><b>Step 1b.</b> Explore further any assistance required to secure an additional department store in the Town Centre.</p> <p>It is recognised that such an enhanced retail offer will have a significant impact in reducing leakage to other centres and indeed begins to capture some new trade for the town.</p>	<p>Due to the economic advantages a leading retailer brand brings as an anchor tenant to both private and public interests they often attract competitive financial arrangements. The arrangements will be dependent upon the nature of the site to be delivered and its context, the ownership structure, and other opportunities in and around the site.</p> <p>Further work is required to explore if any assistance is required and if so the options to be considered.</p>
<p><b>Step 2.</b> Revisit the Oval Development concept to consider alternative delivery mechanisms for larger non food retailing in the context of 1b above.</p>	<p>The current approved scheme is unlikely to be viable in the current market. However there are alternative delivery models that could be explored</p>
<p><b>Focus 3 : Development of an Enhanced Markets Offer</b></p>	<p><b>Financial Comment</b></p>
<p>The importance of the markets was recognised through the consultation exercise both in terms of a potential destination in its own right cementing the independent shopping offer of the Town Centre.</p> <p>Work is required to produce a development and business plan that will attract other funding sources such as Heritage Lottery Grant. This would include:-</p> <ul style="list-style-type: none"> <li>• design fees,</li> <li>• Conservation Management Plan</li> </ul>	<p>Feasibility work is likely to require a budget of £40,000.</p>

<ul style="list-style-type: none"> <li>• Surveys and investigations</li> <li>• Business Planning Case</li> <li>• Funding Applications</li> </ul>	
<p><b>Focus 4 : Review of Skinnergate Issues AND Opportunities</b></p>	<p><b>Financial Comment</b></p>
<p>This work will primarily focus on arresting the falling footfall in Skinnergate and consider what can be done to reverse that trend.</p>	<p>The initial task and finish group work would be covered by existing resources. Any specific capital works particularly affecting the highway will need to attract appropriate fees to cover design, safety audits and TRO's</p> <p>Subject to the nature of the solutions funding sources could be from either car parking income and or the Local Transport Plan.</p>

68. This report recommends to release a capital sum of £40,000 to conduct feasibility work on the covered market, as there is currently no provision within the capital programme for this scheme; however, it is possible to fund the work from within the overall capital resources.

**Legal Implications**

69. No immediate legal issues have been identified, although the future strategy may involve legal issues around procurement and contracts, this is being considered as the Strategy is being formulated.

**Procurement Advice**

70. There may be a requirement to procure further feasibility work and this will be undertaken in line with the Council's procurement rules.

**Equalities Considerations**

71. The immediate recommendations of this report have been formulated through technical work and public consultation informed by an Equalities Impact Assessment that has been undertaken.

**Consultation**

72. A series of workshops were held in the Town Centre and with specific 'hard to reach' groups. In addition further work with younger people was undertaken in schools. The workshops took the form of a 'Planning for Real ' event and a consultation tool "The Regeneration Game" was developed to drive discussions and stimulate debate.

73. The 'Game' consists of a number of components that are to scale, to symbolise various proposals or scenarios. Those attending the workshop were invited to place

on the basemap of the Town Centre their proposed solutions, ideas, suggestions and responses to the opportunities presented. A 4000m<sup>2</sup> gross food store was used as an example as this has been the subject of a development enquiry, but over and above these blank cards were made available for the public to write on their own suggested uses and types of development. In addition cards were provided to allow attendees to write down and place on the map the public goods they would hope to see delivered through any future development. The stimulate debate over the future built form of the town, cards were provided to scale to allow this to be discussed.

74. For each opportunity site or position that could be taken a summary of the pros and cons of these was provided for the group to provide challenge to assumptions and initial reactions.
75. The only rule set was that the table must reach consensus. Each scenario took in the region of a half to three quarters of an hour to complete. Many attendees enjoyed the debate and process of discussing the options that were generated.
76. Overall eight events took place in the Town Centre, with further opportunities to engage at the Annual Tea Dance in the Market Square and at sessions with specific groups. The events were publicised widely in the press, Darlington Together and a total of 2000 leaflets were distributed across the town, targeted on locations where the public were signing petitions against further supermarket development.

### **Outcome of Consultation**

77. The outcome of the consultation is elaborated further in **Appendix 1**. Whilst members of the Town Centre Board and Distinct Darlington (BID) were involved in the Regeneration Game it is intended to seek further feedback from these bodies on the emerging core values and vision.
78. The Town Centre Board received a presentation from officers outlining the results of the public consultation and technical work. The vision for the Town Centre that came out of this work was well received and the further work required on buses and car parking was welcomed.
79. In all 70 plans were developed with the public through the events and these were photographed and any supporting comments collated. These plans and comments were used to develop a series of Core Values to guide the development of the Town Centre and any emerging Strategy or Policy.
80. A number of overarching themes were also identified that relate to other strategies or that will require further work:-
  - (a) The need for improved bus and coach facilities has been identified and this requires further work.
  - (b) Connectivity between the Town Centre and Town Centre Fringe is important.

(c) There are concerns over further large supermarket development in and around the Town Centre.

81. Place Scrutiny Committee has received reports (6<sup>th</sup> September 2012) on the consultation process. The minute records:

“The submitted report outlined the comprehensive consultation exercise that had been undertaken with members of the public regarding future opportunities within the Town Centre. A developer’s workshop was proposed for late September which would inform the decision making process in terms of future planning of the Town Centre in the Local Plan, the future use of Council land and property and the public good that could be delivered. Key themes identified from initial consultation events were highlighted within the submitted report.

Members of the Committee were given the opportunity to engage in the Regeneration Game, a consultation tool developed to make complex issues that need to be considered accessible.

Discussion ensued on the consultation being extended into schools as many young people had a view on what they required within the Town Centre, the need to listen to the views of the public in relation to any future Town Centre developments, provision of a bus/coach station, requirements of the outdoor market traders and vehicle parking provision for businesses in Skinnergate.

RESOLVED – (a) That, the comments made at this Scrutiny Committee be taken forward as part of the consultation exercise.”