
WEST PARK GARDEN VILLAGE DEVELOPMENT

**Responsible Cabinet Member – Councillor Stephen Harker,
Efficiency and Resources Portfolio
Councillor McEwan – Economy and Regeneration Portfolio**

Responsible Director – Ian Williams, Director of Economic Growth

SUMMARY REPORT

Purpose of the Report

1. To seek endorsement from Cabinet to the decision taken by officers to submit a joint outline planning application for residential development in respect of Council owned land at Stag House Farm and land in private ownership at Mount Pleasant Farm.
2. To seek endorsement from Cabinet to the Masterplan document that forms parts of the outline planning application in order to assess future planning applications.
3. To seek approval to the marketing of Council owned land at Stag House Farm (as on the plan at **Appendix 1**).
4. To seek approval to enter into an Equalisation Agreement with the adjoining owner of Mount Pleasant Farm, Bussey & Armstrong Projects Ltd to share strategic infrastructure costs and Section 106 planning obligations.

Summary

5. Working closely with Bussey and Armstrong Projects Ltd, a Masterplan for West Park Garden Village has been prepared with the intention of it supporting a joint outline planning application for 1,200 homes in respect of the land at Stag House Farm and Mount Pleasant Farm. The preparation of the Masterplan was to ensure good planning for the area, to shape the vision and the environment by developing a cohesive scheme.
6. Initial discussions with Bussey & Armstrong Projects Ltd have also been made to enter into an Equalisation Agreement to share strategic infrastructure costs and Section 106 obligations. The purchaser would also be required to enter into appropriate legal agreements to secure the necessary off site infrastructure works and other public benefits as set out in the outline planning permission.

7. It is proposed that the Council's Stag House Farm site be marketed with a Planning and Development Brief, seeking a developer who would also undertake any strategic infrastructure works needed to bring the site forward for development.

Recommendations

8. It is recommended that:-
 - (a) The decision to include the Council's land at Stag House Farm in a joint West Park Garden Village outline planning application with land in private ownership at Mount Pleasant Farm be endorsed.
 - (b) The Masterplan, which was prepared to support the planning application be approved and adopted as a document having material weight in the consideration of planning applications as referred to in the Core Strategy. This would be subject to a condition that the Masterplan is capable of being amended, if required.
 - (c) Approval be granted for Stag House Farm to be marketed with the benefit of the Masterplan, outline planning permission if granted and an Equalisation Agreement in respect of strategic infrastructure and shared planning obligations.
 - (d) The Director of Economic Growth be granted delegated authority to negotiate and agree terms relating to an Equalisation Agreement in consultation with the Cabinet Member for the Efficiency and Resources Portfolio.
 - (e) The Borough Solicitor is authorised to complete the necessary legal documentation for the Equalisation Agreement and sharing of Section 106 planning obligations.

Reasons

9. The recommendations are supported by the following reasons:-
 - (a) The preparation of a Masterplan was to ensure good planning for the area, to shape the vision and the environment, by developing a cohesive scheme.
 - (b) In agreeing the joint masterplan this will help to ensure a well-planned area which contributes a significant portion of Darlington's strategic housing allocations during the Local Plan period. A site of this size would require a number of developers and to agree the key principles up front for the site as a whole should enable development to occur in a more effective and efficient manner than development on a piecemeal basis.
 - (c) An Equalisation Agreement between respective landowners will share the infrastructure and planning requirements to enable the Development to proceed and ensure the Parties can benefit from shared efficiencies and viability.

Ian Williams
Director of Economic Growth

Background Papers

Masterplan document

Jenny Dixon/ John Werres: Extension 6320/6313

S17 Crime and Disorder	Secure by design standards is a material planning consideration
Health and Well Being	The Masterplan aims to create a landscaped environment with open space, playing field provision and footpath links, to encourage internal circulation and for connection to nearby paths, shops and schools
Carbon Impact	The planning application would consider proposed energy efficient measures
Diversity	There are no issues
Wards Affected	Faverdale
Groups Affected	The residents living in the area
Budget and Policy Framework	The Masterplan supplements the Core Strategy as material consideration
Key Decision	This is not considered to be a key decision
Urgent Decision	This is not an urgent decision for the purpose of the Call-in Procedure
One Darlington: Perfectly Placed	This will help facilitate development of a significant portion of the Strategic Housing requirement of the North West Growth Zone
Financial Implications	Development of 81 Ha (200 acres) of residential land and the 1200 new homes proposed will increase the Council's revenue stream from Council tax

MAIN REPORT

Information and Analysis

Background

10. The two sites, Stag House Farm and Mount Pleasant Farm which make up West Park Garden Village are strategically important in that they cover a total of 81 Ha (200 acres) and are located just off the A1, on the gateway into Darlington. Both sites are earmarked for the phased development of approximately 1200 new homes over the next 10-15 years. The sites were covered in the broad allocation known as the North West Urban Fringe (Core Strategy Policy CS1) and were identified as a strategic location for new housing (Core Strategy Policy CS10). Since the adoption of the core strategy, work has been ongoing on specific housing allocations in a document called the Making and Growing Places Development Plan Document (MGP) which included the West Park Garden Village sites which recommended that development would be best informed by a Masterplan.
11. Land to the southwest of Newton Lane is known as Stag House Farm, as shown on the plan at **Appendix 1**. It is a triangular shaped site of approximately 20 Ha (50 acres). It is bounded by the A1 to the west. It is owned by the Council and let on an agricultural tenancy and the farm house is let to a Housing tenant.
12. On the opposite side of Newton Lane is Mount Pleasant Farm, which extends to approximately 61 Ha (150 acres) of arable land. It is partly owned by Bussey and Armstrong Ltd and they have advised they have options in respect of the remainder of the site.
13. The Council were approached by Bussey and Armstrong Projects Ltd in 2014 to see if the Council were interested in undertaking a joint Masterplan for the area. It was considered sensible to masterplan the larger sites for the benefit of the communities and for the town. By working together to share the infrastructure and planning requirements to enable the development to proceed the parties could benefit from efficiencies generated and to develop a more cohesive scheme.
14. Following the completion of the Masterplan, it was subsequently agreed that a joint outline planning application for both areas would be prudent in that the planning and highways requirements, arising from the Masterplan, for both sites were inextricably linked.

The Masterplan and Public Consultation

15. A conceptual Masterplan document was prepared by Nivens Architects for both parties and is shown at **Appendix 2**. This was used as a basis for the first round of public consultations in August 2014. Following the second round of public consultations in March 2015, the final Masterplan drawing was prepared and the plan is shown at **Appendix 3**. The final and complete Masterplan document is attached at **Appendix 4**.
16. The Masterplan is intended to set the framework against which future planning applications would be considered. For example, through the outline planning

application process it is envisaged this would identify the broad location for Newton Lane access point into Stag House Farm and the location of strategic green infrastructure including a green buffer adjacent to the A1 and the sustainable urban drainage proposals (SUDS). Once the Council's site has been marketed and developer selected, the detailed road layout and configuration of the houses and open space requirements would be dealt with by Reserved Matters.

17. Planning officers have advised there may be a requirement in the future, beyond the Local plan period for a link road through the south west boundary of Stag House Farm. Therefore, the route through Stag House Farm would be reserved and this would be safeguarded in the Planning and Development brief.
18. There are a number of Planning obligations that would be applicable to the development and legal advice is being sought on the mechanism to be used in the planning process in respect of the joint outline planning application. Subject to economic and viability testing, it is anticipated there will be planning obligations for each site which will include the provision of affordable housing, financial contributions and reservation of land for education and playingfield purposes. The education and playing field land intended for the benefit of the wider development will be provided outside of the Council's site, on land in Bussey and Armstrong's control.
19. Two phases of public consultations were held, one in August 2014 on initial principles and a second in March 2015 on a more detailed draft masterplan for the West Park Garden Village area. At each phase, over 1000 letters were sent to local residents in the surrounding area. The consultation and events were also publicised in the local press and Niven Architects, Bussey & Armstrong Projects Ltd and the Council's website to reach a wider audience. For both events approximately 150 people attended. Some were just interested in viewing the plans to get additional information on the scheme and others wanted to provide formal comments.
20. The majority of comments received at both stages of the process expressed concerns with the impact on the existing highways network. As a result of the concerns raised during the first round of consultations and concerns raised by the Highways Agency, additional Transport Modelling work was commissioned to further consider the likely impact of development on the North West Growth Zone. The model and some of the initial proposals were then presented at the second round of consultations. From the responses received it was apparent that whatever modelling work was undertaken there would be concerns on the highways network, particularly around West Auckland Rd and Cockerton. The issue of Newton Lane Link Road and Edward Pease Way becoming a short-cut was more prevalent in the second round of consultations than the first. This was something the Council and Bussey & Armstrong Projects Ltd are keen to avoid and this will be considered further in the detailed design stage (Reserved Matters). Other comments in relation to drainage and noise from the motorway were also received and the masterplan factors in both acoustic barriers and Sustainable Urban Drainage (SUDS). A few residents also thought there was a lack of play areas for children in the existing surrounding area. The masterplan has included provision for play space accordingly.

21. Another concern of residents that could not be addressed was the principle of losing open agricultural land to development. The sites have however been accepted as being sequentially preferable to other sites on the urban fringe through the Core Strategy adoption. The masterplan does retain a significant portion of green space and is accompanied by a landscape plan which provides a number of biodiversity enhancements and improvements to public access.

The Equalisation Agreement

22. It is proposed that the shared planning obligation requirements, i.e. for the Education and Playingfield land would be formalised through an Equalisation Agreement between the Council and Bussey & Armstrong Projects Ltd. The agreement would also include any sharing of highways infrastructure and SUDS. The developer of the respective sites would be required to enter into appropriate legal agreements to secure the necessary off site infrastructure works and other public benefits as set out in the outline planning permission.
23. The principles of the agreement would be a sharing of costs based on the benefits each party derives from the works. It is proposed that a formal valuation be undertaken so that the Council can evidence that the amount it contributes to the shared burdens of the whole scheme are shared in a way that safeguards the public assets and does not result in financial 'State Aid' of a commercial economic operator at the expense of public resources.

The disposal of the sites and strategic infrastructure

24. Following the adoption of the Masterplan and agreement to the Section 106 issues, it is proposed the Council market the Stag House Farm site by tender in the normal manner with the necessary suite of contract documents already prepared. Prior to marketing the site, a Planning and Development brief would be prepared for Stag House Farm, mirroring the planning obligations required. These requirements plus any strategic infrastructure works would also be mirrored in any contract documents for the sale of the land.
25. In this connection, the contract of sale, the Development Agreement, would contain a specification and schedule of works required to be undertaken by the developer, as a first phase. The cost of the works would be treated as an abnormal cost and deducted from the land receipt.
26. Any works undertaken would need to satisfy the Council's contract procedure rules and be OJEU compliant.
27. Timing is important in that highways works and SUDS need to be done at the start of the development anticipated to be from 2016 onwards and ongoing negotiations between the Council and Bussey & Armstrong Projects Ltd will ensure the Council's legal and financial position is protected.

Risks

28. A potential risk is that terms for the Equalisation Agreement cannot be agreed.

29. Another risk is that the cost of the strategic infrastructure works exceeds the land value. To mitigate against this, it is proposed that the land would be offered for sale in phases and appropriate measures taken to ensure that the market value of the land for sale exceeded the costs of development.

Financial Implications

30. The MTFP has assumed the Council's Stag House Farm site would achieve a significant capital receipt. The exact amount will be determined by market demand and the relationship between the planning obligations and the Equalisation Agreement with Bussey & Armstrong.
31. The associated costs with the sale and subsequent Equalisation Agreement including any shared infrastructure and SUDS would be met through use of any capital receipts received.

Equalities Considerations

32. In seeking to dispose of this site for development, the potential impact on those people with protected characteristics under the Equality Act 2010 is considered to be no greater than the impact on any other group or individual.