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**MORTON PALMS CAR PARK**

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**Responsible Cabinet Member - Councillor Chris McEwan,  
Economy and Regeneration Portfolio**

**Responsible Director - Ian Williams, Director of Economic Growth**

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**SUMMARY REPORT**

**Purpose of the Report**

1. This report seeks Members approval to deliver a new car park at Morton Palms and asks Members to approve the business model and associated capital spend.

**Summary**

2. The Morton Palms Business Park is an edge of town office location situated to the west of the A66. The site benefits from a Local Plan allocation and planning consent for a range of employment uses, with a focus on office development.
3. To attract new investment to Morton Palms, infrastructure improvements are required. A key component of which is a new car park to remove parked vehicles from Alderman Best Way, improving the approach to the employment site and therefore its marketability.
4. A car parking solution has been developed for Member's consideration and Cabinet are asked to consider and approve the proposed car park solution and supporting business model and to release the necessary capital to facilitate its delivery.
5. A funding package is being negotiated with Tees Valley Combined Authority to supplement the Council's capital contribution as released by Cabinet on 20 June 2017. Delegated authority is sought to enable the Director of Economic Growth to conclude these negotiations with TVCA.

**Recommendation**

6. It is recommended that :-
  - (a) Cabinet approve the business model included in the Part III Appendix of this report;

- (b) Authority is delegated to the Director of Economic Growth to conclude negotiations with TVCA on the funding package and complete the necessary funding agreement.

## Reasons

7. The recommendations are supported to promote economic growth and new development at Morton Palms.

**Ian Williams**  
**Director of Economic Growth**

## Background Papers

No background papers were used in the preparation of this report.

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S17 Crime and Disorder	<p>Crime and disorder have been considered as part of the design process to reduce opportunities for crime. The scheme will include CCTV linked into the Council's CCTV system.</p> <p>Lighting along Alderman Best Way and the footway connections into the site will be upgraded to improve lighting levels.</p>
Health and Well Being	The proposals have no adverse impact on Health and wellbeing.
Carbon Impact	<p>The proposal seeks to ensure that the current vehicles coming to site can park in an appropriate location rather than on-street, verges etc. It is not the intention of this proposal to encourage trips by private motor vehicle and the charging mechanism should help discourage use by private motor vehicle.</p> <p>Whilst electric charging points are not currently proposed, consideration will be given to future proofing the scheme for installation at a later date.</p> <p>Alongside the provision of the car park, the Council is also working with major employers at Morton palms to refresh their Travel plans with the objective of increasing trips by foot, cycle or public transport.</p>
Diversity	<p>It is not anticipated that the proposal will have an adverse impact on diversity. There is provision for accessible bays within the car par and these are located as close as possible to the footway and existing buildings on site.</p> <p>Permits will be sold to the building operators only and it is hoped that this will make spaces adjacent to their buildings more readily available for those with a disability or mobility issues.</p>
Wards Affected	Morton Palms is situated in the Sadberge and Middleton St George ward.

Groups Affected	No groups are affected by the proposals in this report.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	Morton Palms forms a key element of the Borough's employment land portfolio by providing space to deliver edge/out of town office accommodation. The provision of the car park will improve the perception of Morton Palms, increasing it's potential to secure further inward investment, thus helping to Grow the Economy.
Efficiency	This report will not deliver any efficiency savings, nor will it require additional staff time/resource over and above what is already available.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

## MAIN REPORT

### Information and Analysis

8. Morton Palms is a Business Park on the edge of Darlington and benefits from a planning consent for a range of employment uses.
9. Infrastructure for the site, which in the Council's ownership, was delivered in the early 2000's, funded in partnership with a predecessor of the Homes and Communities Agency (HCA), and is subject to Joint Venture agreement between the parties.
10. Following on from the delivery of the infrastructure, office buildings were developed by the private sector investors and these continue to be occupied by a number of organisations and the site is home to around 800 employees.
11. Despite being well located and easily accessible, new investment on the site has not been secured for a number of years. One of the key reasons for this is the insufficient parking provision on site which has resulted in significant on-street parking along Alderman Best Way, the main road into the site. This not only detracts from the site's potential as a prestige employment site, but it also results in the perception that parking is an issue. The current position is not conducive to attract new investment.
12. A number of options have been considered by the Council to improve the approach into Morton Palms and therefore the marketability of the scheme. The recommended package of works includes:
  - (a) Improvements to and subsequent adoption of Alderman Best Way;
  - (b) Provision of new car park for site occupiers; and
  - (c) Parking restrictions implemented along Alderman Best Way.

13. A funding package for these works has been agreed with Tees Valley Combined Authority, which will supplement monies released by Cabinet on 20 June 2017. Based on this funding package, a business model for the car park has been developed to demonstrate the cost of the car park to the Council over a 20 year period, which also incorporates the income from site occupiers using the car park. This business model is included in the **Part III Appendix** to this report.
14. Following the completion of the infrastructure works, the site will continue to be actively marketed with the intention of securing further inward investment at Morton Palms.

### **Financial Implications**

15. As set out in the **Part III Appendix** to this report, it is anticipated that the delivery of the car park will be of nil cost to the Council over the 20 year period.
16. A contribution of £300,000 towards the car park has been agreed in principle with TVCA, the terms of which are still being negotiated but it is likely to include a part loan, part grant. The business model reflects the current position of these negotiations.
17. The car park will generate sufficient income to cover the management, maintenance and running costs of the car park as well as funds for the Council to re-pay it's borrowing and any loan from TVCA.
18. A condition of the TVCA loan is that the Council underwrite it's repayment regardless of the take up and income secured from the car park.
19. Should the negotiations with TVCA not progress as currently envisaged, the Economic Growth Investment Fund (EGIF) could be re-allocated amongst the projects to fund any shortfall.

### **Legal Implications**

20. The car park will be monitored for compliance by the Council's Parking Enforcement Team under the terms of a Traffic Regulation Order that will be progressed by the Council outside this report.
21. Car parking income will be secured from businesses occupying space at Morton Palms through a permit parking contract with the identified end users. This has been negotiated and will be completed prior to the opening of the car park.
22. Delegations exist for both these legal requirements within the Council's Constitution.

### **Estates and Property Advice**

23. Morton Palms is in the Council's ownership, although subject to a restriction on title in favour of the HCA as a result of the Joint Venture Agreement. Although this agreement has now expired, the restriction remains in place until the Council and

HCA have agreed terms for it's removal. This will be the subject of a separate report to Cabinet.

24. As the car park is and will remain in the Council's ownership, the Joint Venture does not have any implications on its delivery and operation.

### **Procurement Advice**

25. The car park will be delivered in house by the Highways Team. Where procurement is required, it will be undertaken in line with the Council's Contract Procedure Rules and the Public Contract Regulations 2015.

### **Consultation**

26. Consultation has been undertaken with existing businesses on site, HCA and TVCA. In addition, as part of the planning application, neighbour letters and a site notice provided an additional opportunity to comment on the proposals.

### **Outcome of Consultation**

27. The consultation with businesses identified a strong interest in purchasing permits for the car park.
28. Some concerns regarding safety, and perception of safety were received. These have been considered and CCTV is proposed as part of the scheme.
29. Consultation responses received as part of the planning application process were given due regard as part of the planning process.