
LAND AT NEASHAM ROAD – DARLINGTON ARENA

**Responsible Cabinet Member – Councillor Stephen Harker
Efficiency and Resources Portfolio**

Responsible Director – Ian Williams, Director of Economic Growth

SUMMARY REPORT

Purpose of the Report

1. To advise Cabinet of proposals to secure the future of the Darlington Arena as a multi-purpose sports village; to update Cabinet on actions undertaken by Officers to date; and to seek agreement to the approach to taking this project forward.

Summary

2. Darlington Mowden Park (DMP), owners of the arena, recently approached the Council with a request to work collaboratively on a proposal for the Arena, the 23 acres owned by DMP and up to 42 acres of adjacent Council land.
3. In essence the proposal is to create a sports village (DSV) that will have an improved arena as a centrepiece asset with an artificial pitch and reconfigured concourse for events, together with a centre of excellence for sports, a new sports and leisure complex, village green, appropriate sports retail centre and a neighbourhood centre primarily geared to support local housing proposed on land to the west of Neasham Road.
4. The proposal, while it has significant risks, nevertheless has real merit and holds out the possibility of enabling the arena to have a long term sustainable future and offer additional facilities for sport and leisure serving Darlington and surrounding areas. This report outlines an approach that enables the concept to be tested, together with the mechanisms to ensure that the Councils interests and wider obligations are safeguarded.
5. To achieve the DSV it is proposed that the Council and DMP will work together to examine and develop the vision and business plan that, subject to planning permission and an independent assessment of its viability, could be taken forward.

6. To facilitate early engagement with potential investors Officers have issued a letter of comfort (**Appendix 1**) to DMP to confirm that the Council will proactively participate on a DSV governance board that will oversee the strategy and development of the DSV business plan.
7. This is an urgent decision due to the potential investors needing to have certainty of the Council's position prior to them committing the required financial resources to carry out business plan development and underpinning viability work.
8. Alongside its goal of seeing good sports provision in Darlington, the Council has an important interest in the arena site as it enables access to adjacent 42 acres of Council land that could be suitable for housing. Regardless therefore as to whether this DSV proposal goes ahead it is important that the Council protects its position on future access to Council adjacent land.
9. To achieve this, the Council has negotiated and agreed a position where it will have a guaranteed right to step in and acquire the freehold of the Arena and DMP land in certain scenarios. The details of this proposal are set out in the report within Part Three of the Cabinet agenda.
10. The intention is to jointly work on the production of a business plan to assess feasibility and viability. A fuller report on this business plan with recommendations on next steps will be brought back to Cabinet for future consideration.

Recommendation

11. It is recommended that Cabinet:-
 - (a) Notes the position;
 - (b) Endorses the intention to work with DMP and the private investor(s) to carry out initial development of the business plan for Darlington Sports Village;
 - (c) Agrees to the principles and future financial commitments as articulated in **Appendix 2**;
 - (d) Notes that subject to viability, the business plan for the Darlington Sports Village will be brought to Cabinet to consider further approvals needed.

Reasons

12. The recommendations are supported by the following reasons:-
 - (a) To pursue the creation of sustainable community sports facilities in Darlington;
 - (b) To seek to achieve significant economic regeneration including employment opportunities;
 - (c) To give guarantee and security of access to adjacent Council land in the future.

Ian Williams, Director of Economic Growth

Background Papers

No background papers were used in the preparation of this report

Richard Adamson : Extension 6318

S17 Crime and Disorder	This report has no implications for crime and disorder
Health and Well Being	There are no Health and Well Being Issues
Carbon Impact	There are no sustainability issues
Diversity	There are no diversity issues
Wards Affected	Eastbourne
Groups Affected	Not Applicable
Budget and Policy Framework	This report does not represent a change to the budget and policy framework
Key Decision	This is a key decision
Urgent Decision	This is an urgent decision
One Darlington: Perfectly Placed	There are no issues adversely affecting the Community Strategy
Efficiency	There are no impacts on efficiency
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

13. Since purchasing the Arena in 2012 DMP have gone through a substantial transition becoming increasingly successful as a club and as the operator of the Arena site. The DMP Women's team is now in the Premiership, the DMP Men's team is currently in a high position of the third tier of the national rugby leagues with a possibility of gaining promotion to the Rugby Championship. More than 25 grass-root rugby teams are based at the Arena site. There is also a growing array of other sports clubs, schools and leisure stakeholders using the Arena site on a weekly basis. As part of the Arena's longer term sustainability DMP have proposed the establishment of DSV that utilises DMP land and Council land. There are now a number of examples across the country where neighbouring land is utilised to create multi-sport community facilities more often than not with the infrastructure underpinned by mixed use development.
14. DMP has been examining various funding options to support their current and ongoing development that would also underpin the DSV concept. More detail is included in Part III (**Appendix 2**).

Proposal

15. The proposed DSV is to be a collaboration between the Council and DMP and potentially others to create a sports village that will have an improved arena as a centrepiece asset with an artificial pitch and reconfigured concourse for events,

together with a centre of excellence for sports, a new sports and leisure complex, village green, appropriate sports retail centre and a neighbourhood centre primarily geared to support local housing proposed on land to the west of Neasham Road.

16. To achieve the DSV it is proposed that the Council and DMP and potentially others will work together to examine and develop the DSV vision subject to planning permission and with the absolute pre-requisite that a business plan is produced that can be independently assessed and verified as viable.
17. Subject to a satisfactory and verified business plan the DSV will be formed with a joint venture between the Council and incorporating both the arena site and the Council's 41.8 acres shown on **Appendix 3**. Part of the Council's land, possibly up to 24 acres, may be used for residential development to help fund the scheme and a relaxation of the restrictive covenant on the Arena site may be necessary to permit commercial development and potential sale or grant of leases to generate capital receipts or ongoing revenue to support the DSV.

Letter of Comfort

18. Officers have issued a letter of comfort to DMP that the Council will proactively participate on a DSV governance board that will oversee the strategy and feasibility of the DSV business plan. Further commitment is subject to:-
 - (a) A satisfactory business plan; where viability is tested and confirmed;
 - (b) Cabinet receiving a fuller report in due course on the DSV business plan with any financial consequences set out.

Financial Implications

19. Set out in the confidential Part III report (attached **Appendix 2**).

Legal Implications

20. Set out in the confidential Part III report (attached **Appendix 2**).

Consultation

21. Consultation will take place to establish the viability of the DSV as part of the business plan process.