
INGENIUM PARC

Responsible Cabinet Member - Councillor Chris McEwan
Economy and Regeneration Portfolio

Responsible Director - Ian Williams, Director of Economic Growth

SUMMARY REPORT

Purpose of the Report

1. This report updates Members on Ingenium Parc and to seek delegated authority to Director of Neighbourhood Services and Resources for the completion of the associated Funding Agreement and approval to release LGF capital funding to allow the first phase of infrastructure works on completion of the Funding Agreement.
2. It also seeks delegated authority to Director of Economic Growth in relation to land and property matters arising in order to deliver the Ingenium Parc Masterplan.

Summary

3. Ingenium Parc is a 40ha greenfield development site which is adjacent to a number of established advanced manufacturing and engineering businesses such as Cummins Engines and Cleveland Bridge as well as being adjacent to Grade A office accommodation at Morton Palms Business Park.
4. The site has been earmarked as a strategic employment site through the Council's planning processes and a comprehensive masterplan has been developed which unlocks land capable of delivering over 2000 jobs, this project is one of the key strategic economic regeneration priorities for the Council. A plan is included in the **Appendix** attached.
5. To open up the Phase 1 land comprising around 11Ha, site infrastructure is required, including improvements to McMullen Road Roundabout, Salter's Lane South with a new access road and utility connections in the Ingenium Parc site. A cocktail of funds has been secured, with a significant contribution secured from Local Growth Funding administered by TVCA.
6. This report seeks Cabinet approval to release the Local Growth Funding contribution to facilitate the commencement of the initial site infrastructure works, following the completion of the associated Funding Agreement. Delegated

authority is sought to conclude the negotiations and complete the Funding Agreement with TVCA.

7. The land for Ingenium Parc is in the Council's ownership, with a tenant farmer. The tenancy agreement will need to be varied to enable the land to be developed. In addition the preferred route into the site requires a small portion of land in 3rd party ownership but agreement has been made to dedicate this for highway adoption. This report also seeks the necessary delegated authority in relation to land and property matters arising at the site, which are required to deliver the scheme in the most effective way.

Recommendations

8. It is recommended that :-
 - (a) Cabinet delegate authority to Director of Neighbourhood Services and Resources to conclude the Funding Agreement with TVCA in relation to the Local Growth Fund contribution;
 - (b) Cabinet then releases £4.959m capital funding upon completion of the Funding Agreement to deliver works at Ingenium Parc as described in paragraphs 19 and 20 of this report;
 - (c) Cabinet delegate authority to the Director of Economic Growth for the acquisition of third party interests at Ingenium Parc and to settle any compensation arising under the Tenancy Agreement.

Reasons

9. The recommendations are supported by the following reasons :-
 - (a) The project will stimulate, promote and help to manage development of the area in line with the Local Plan, Employment Land Review and Interim Planning Statement – where it is identified as employment land for B1, B2 and B8 use.
 - (b) To promote economic growth through opening employment land with the potential to create over 2000 jobs.
 - (c) Positive addition to our inward investment sites portfolio.

Ian Williams
Director of Economic Growth

Background Papers

Local Transport Plan Cabinet Paper 7 March 2017

Jill Thwaite : Extension 6312

S17 Crime and Disorder	Crime and disorder have been considered as part of the design process to reduce opportunities for crime. Lighting along the footway connections into the site will be included to improve lighting levels.
Health and Well Being	The Masterplan has been designed to ensure the creation of a walkable and liveable environment, with walking and cycling provision designed in.
Carbon Impact	The Masterplan will be subject to sustainability appraisal, integral to which is reducing carbon emissions. All policies are tested and amended to ensure the most sustainable outcomes, including keeping carbon emission to a minimum, including promotion of the use of renewable energy in new developments. Specific work has been integrated in to the Masterplan to promote the use of low carbon technologies and energy efficiency.
Diversity	Equality and diversity has been considered throughout the development of the masterplan.
Wards Affected	Eastboune, Red Hall and Lingfield (bordering ward of roundabout works), Sadberge and Middleton St George Ward (Phase 2 onwards), Hurworth (Phase 2 onwards)
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 a key decision
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	The development of Ingenium Parc will help achieve the Growing the Economy condition of the strategy and help deliver a place designed to thrive as well as more businesses and more jobs.
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	No impact

MAIN REPORT

Project Background

10. Ingenium Parc is a 40ha greenfield development site which is adjacent to a number of established advanced manufacturing and engineering businesses such as Cummins Engines and Cleveland Bridge as well as being adjacent to Grade A office accommodation at Morton Palms Business Park.
11. The site has been earmarked as a strategic employment site in:
 - (a) Darlington's Employment Land Review (2009)

- (b) Local Development Framework Core Strategy (2011)
- (c) Interim Planning position statement (2016)

12. A comprehensive masterplan is in development which will guide the future development of the site through outlining the various opportunities and constraints that the site presents alongside the ambitions of the Council to create an attractive environment and a great place to do business. The masterplan will be informed by many different pieces of information including site analysis (including habitats and ecology), heritage and archaeology, highways and transport, public rights of way, flood and water management, utilities and energy uses, design quality, phasing and construction, and environmental consideration.
13. The site is being master planned to unlock land which is identified within the Local Plan as employment land with B1, B2 and B8 uses. Providing employment land which is capable of delivering over 2000 jobs, this project is one of the key strategic economic regeneration priorities for the Council.
14. A number of different studies were commissioned to feed into the master plan exercise including ecology, transport, heritage, site condition surveys and archaeological studies.
15. Consultation was undertaken in Summer 2017 and the feedback from this can be feeding into the Masterplan.
16. The Masterplan is intended to provide certainty to the private sector that will stimulate the development of the area in a managed way, providing a framework for long-term investment decisions, to unlock present and future development opportunities and economic growth. Setting out this long-term framework and vision will help co-ordinate the required infrastructure whilst developing a sense of place.
17. Council recognises the ecological biodiversity of the site and adjacent nature reserve and has worked closely with Natural England to develop a masterplan which mitigates any loss and creates a net enhancement in terms of biodiversity and habitats.

Site Infrastructure Works

18. The size and nature of the site mean that it will be delivered over a 10-15 year lifespan and as such the masterplan identifies three distinct phases.
19. In order to open up the first phase, which will deliver c. 11 hectares of employment land, capable of creating of 900 jobs by 2024, the Council needs to deliver some infrastructure improvements. These infrastructure improvements include works to McMullen Road Roundabout on Yarm Road, upgrades to Salters Lane South and the delivery of a new service road into the site, coupled with the installation of initial utility services and/or connections to such utilities and other necessary and associated works.
20. A funding package for this initial site infrastructure has been secured, with a significant contribution from the Local Growth Funding pot managed by TVCA, as

well as contributions from Local Transport Fund and from Department for transport's National Investment and Productivity Fund (NPIF). This funding package is sufficient to deliver the initial site infrastructure (as described in paragraph 19), resolve the outstanding property and land matters (as set out in paragraphs 23 – 25 below) and includes an allowance for the necessary ecological mitigation for the wider site and the initial management and maintenance contributions required.

21. Subject to the Cabinet resolutions sought in this report, Phase 1 works are due to commence before the end of 2017/18, with completion by the end of 2019.
22. Following the completion of the infrastructure works for Phase 1, the site will be actively marketed with the intention of disposing the first development plots which will be available from 2019/20.

Land and Property Advice

23. The majority of the land at Ingenium Parc is in the Council's ownership. To deliver the preferred access into the site, a small area of land in third party ownership is required. The land is currently used as a car park by Cummins, who have indicated that they are willing to transfer the land to the Council in the interests of securing the best solution for Ingenium Parc. The details of this land transfer have yet to be agreed in full and it is recommended that Cabinet delegate authority to the Director of Economic Growth to conclude these negotiations in accordance with a formal valuation of the land.
24. Should these negotiations fail, an alternative access point is available, however it is not the optimum solution for the scheme.
25. The site is currently subject to a farm tenancy agreement; the tenant farmer is aware of the proposals. To enable the site investigations and archaeological works to commence alongside the Tenancy Agreement, compensation may be payable under the terms of the agreement. Where possible efforts are being made to schedule as much of the work as practicable around the farmer's activities in order to minimise any compensation payments. It is recommended that Cabinet delegate authority to the Director of Economic Growth to settle any compensation arising as a result of delivering Ingenium Parc masterplan under this Tenancy Agreement.
26. A parcel of land in the north east corner of the site is also in third party ownership. Unless the owners can secure an access point through the land immediately to the north of this area, access will have to be secured via the new access road and over the Council's land. Negotiations to this effect have not yet taken place, however this does not adversely affect the Council's ability to deliver the majority of Ingenium Parc.
27. Costs associated with the land and property matters addressed above have been included within the total project costs.

Financial Implications

28. Funding for the projected scheme costs has been secured from the following sources:
- (a) Local Growth Fund (LGF), administered by TVCA, including both a £2.3m grant and a £1.8m loan component;
 - (b) Local Transport Plan (LTP) contributions of £90k. This has previously been released by Cabinet (March 2017);
 - (c) National Productivity and Investment Fund (NPIF) from DfT, an initial £425k was released by Cabinet in March 2017 and a further contribution of £859k has been subsequently secured in a more recent bid; and
 - (d) Pre Development planning and design works funded from existing Council budgets.
29. Loan terms with TVCA have been agreed in principle on the basis that they will receive 34% of the land receipts generated from the 11 hectares of land released in phase 1. The loan will not attract interest and is only repayable should a land receipt be realised.
30. The total Local Growth Fund contribution will be conditional upon achieving key outputs comprising:
- (a) 0.7 km of road
 - (b) Installation of five utilities (water, gas, electricity, drains and sewers, Broadband / telecoms.
 - (c) 111,500 sq.m of developable land opened up in Phase 1 (follow-on investment)
 - (d) 531 indirect jobs (follow-on investment)
 - (e) 80 direct jobs
 - (f) £53.98m of private sector investment (follow-on investment)
31. The Funding Agreement will also include a projected spend profile based on anticipated spend, with projected financial completion by the end of 2019/20. Any variations will need to be agreed with TVCA.
32. It is anticipated that the NPIF will be subject to the standard Department for Transport funding conditions and claimed in line with the agreed programme, with financial completion by end of 2020/21.
33. This report seeks to release the capital contributions that have not yet been released totalling £4.959m, subject to the completion of the associated Funding Agreement.

Legal Implications

34. The Funding Agreement is currently with TVCA. Cabinet are requested to delegate authority to Director of Neighbourhood Services and Resources to conclude this funding agreement.

Procurement Advice

35. The site infrastructure works will be delivered in house by the Highways Team. Where any works or services are required to be contracted they will be procured in accordance with legislative requirements under the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules. Without prejudice to the need to secure best value where appropriate tendering processes may promote the local economy through the inclusion of social value criteria in the evaluation of tenders.

Consultation

36. Pre-planning engagement on the masterplan as undertaken in August and September this year, with consultation events and materials publicised by letter, press and on the Council's website.
37. Key issues raised related to the ecological and environmental quality of the site and the impact the development may have, highway capacity and congestion and the demand for new commercial floorspace.
38. These matters will be addressed in the masterplan and forthcoming planning documents, and be considered as part of the determination of the planning application which will be formerly submitted in January 2018.

Equalities considerations

39. The Ingenium Parc Masterplan is a broad and inclusive visioning document which will shape and influence developments as they come forward. Equalities considerations will be considered in more detail as the scheme is developed and in the design and delivery of the respective developments and schemes as they come forward.