



**DARLINGTON**

Borough Council

# Cabinet Agenda

5.00 pm

Tuesday, 11 June 2024

Council Chamber, Town Hall, Darlington DL1 5QT

**Members and Members of the Public are welcome to attend this Meeting.**

1. Introductions/Attendance at Meeting.
2. Timings of Meetings –  
To consider the timings of meetings of this Cabinet for the Municipal Year 2024/25 on the dates agreed in the Calendar of Cabinet and Committee Meetings by this Cabinet at Minute C106/Mar/24.
3. Declarations of Interest.
4. To hear relevant representation (from Members and the General Public) on items on this Cabinet agenda.
5. To approve the Minutes of the meeting of this Cabinet held on Tuesday 7 May 2024 (Pages 5 - 8)
6. Matters Referred to Cabinet –  
There are no matters referred back for reconsideration to this meeting
7. Issues Arising from Scrutiny Committee –  
There are no issues referred back from the Scrutiny Committees to this Meeting, other than where they have been specifically consulted on an issue and their comments are included in the contents of the relevant report on this agenda.
8. Key Decisions –  
There are no Key Decisions to be made at this meeting.

9. Release of Education Capital Funds – Report of the Group Director of People.  
(Pages 9 - 14)
10. Representation on Other Bodies 2024/25 – Report of the Group Director of Operations.  
(Pages 15 - 20)
11. Darlington Long Term Plan for Town Funds – Report of the Chief Executive.  
(Pages 21 - 26)
12. Wilkinson's Building Acquisition and Procurement of Development Partner –  
Report of the Chief Executive.  
(Pages 27 - 48)
13. Schedule of Transactions – Report of the Chief Executive.  
(Pages 49 - 52)
14. Membership Changes - To consider any Membership Changes to Other Bodies to which  
Cabinet appoints.
15. SUPPLEMENTARY ITEM(S) (if any) which in the opinion of the Chair of this Committee are  
of an urgent nature and can be discussed at this meeting.
16. Questions.

#### **EXCLUSION OF THE PUBLIC AND PRESS**

17. To consider the exclusion of the Public and Press :- –  
**RESOLVED** - That, pursuant to Sections 100A(4) and (5) of the Local Government Act 1972, the public be excluded from the meeting during the consideration of the ensuing items on the grounds that they involve the likely disclosure of exempt information as defined in exclusion paragraph 3 of Part I of Schedule 12A of the Act.

#### **PART III            NOT FOR PUBLICATION**



**Luke Swinhoe**  
**Assistant Director Law and Governance**

**Monday, 3 June 2024**

**Town Hall**  
**Darlington.**

**Membership**

Councillors Curry, Harker, McCollom, McEwan, Porter, Dr. Riley, Roche and Wallis

If you need this information in a different language or format or you have any other queries on this agenda please contact Lynne Wood, Elections Manager, Operations Group, during normal office hours 8.30 a.m. to 4.45 p.m. Mondays to Thursdays and 8.30 a.m. to 4.15 p.m. Fridays (e-mail [Lynne.Wood@darlington.gov.uk](mailto:Lynne.Wood@darlington.gov.uk) or telephone 01325 405803).

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**DECISIONS SHOULD NOT BE IMPLEMENTED BEFORE  
MONDAY 20 MAY 2024**

**CABINET**

Tuesday, 7 May 2024

**PRESENT** – Councillors Harker (Chair), McCollom, McEwan, Porter, Dr. Riley, Roche and Wallis

**INVITEES** – Councillors Holroyd

**APOLOGIES** – Councillors Curry, Dulston and K Nicholson

**ALSO IN ATTENDANCE** – Councillors Bartch and Robinson

**C128 DECLARATIONS OF INTEREST.**

There were no declarations of interest reported at the meeting.

**C129 TO HEAR RELEVANT REPRESENTATION (FROM MEMBERS AND THE GENERAL PUBLIC) ON  
ITEMS ON THIS CABINET AGENDA.**

In respect of Minute C133 below, a representation was made by a Member in attendance at the meeting.

**C130 TO APPROVE THE MINUTES OF THIS MEETING OF CABINET HELD ON 9 APRIL 2024.**

Submitted - The Minutes (previously circulated) of the meeting of this Cabinet held on 9 April 2024.

**RESOLVED** – That the Minutes be confirmed as a correct record.

**REASON** – They represent an accurate record of the meeting.

**C131 MATTERS REFERRED TO CABINET**

There were no matters referred back for re-consideration to this meeting.

**C132 ISSUES ARISING FROM SCRUTINY COMMITTEE**

There were no issues arising from Scrutiny considered at this meeting.

**C133 AUDITOR'S ANNUAL REPORT 2021/22**

The Cabinet Member with the Resources Portfolio introduced the report of the Group Director of Operations (previously circulated) presenting the Auditor's Annual Report for 2021/22 (both also previously circulated).

The Auditors Annual Report provided a high level summary of the results from the 2021/22

audit work undertaken by Ernst and Young LLP (EY), the Council's external auditors; confirmed that the Council's accounts gave a true and fair view for the year ending 31 March 2022; and that the Council had put in place proper arrangements to secure value for money in its use of resources.

In presenting the Annual Report, a representative from Ernst and Young LLP (EY), stated that there had been a sector wide delay in signing off accounts; presented the main findings from the Annual Report; stated there were no matters to raise; and that the certificate had been signed on 12 April 2024.

Reference was made to the delay in signing off the accounts; the additional costs that had been incurred as a result; and how long it would take to clear the backlog. The Cabinet Member with the Resources Portfolio and the representative from EY responded thereon.

**RESOLVED** - That the Auditor's Annual Report 2021/22, as appended to the submitted report, be noted.

**REASON** – To receive the results of external audit work carried out.

**C134 KEY DECISIONS:-**

There were no key decisions made at the meeting.

**C135 (URGENT ITEM) HOUSEHOLD SUPPORT FUND 2024**

The Cabinet Member with the Stronger Communities Portfolio introduced the report of the Chief Executive (previously circulated) requesting that consideration be given to a programme of support to deliver the fourth extension of the Government funded Household Support Fund (HSF) for the period 1 April to 30 September 2024.

The submitted report stated that as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living, the HSF would be extended from 1 April to 30 September 2024. It was noted that the current programme was being delivered effectively, meeting spend and output targets, and that the proposed programme delivered in this next round would take forward the elements in the current programme.

It was reported that authorities were required to send a delivery plan to the Department for Works and Pensions (DWP) by 10 May 2024, which outlined their intentions for the Fund.

Reference was made at the meeting to fuel poverty and the removal of the support for energy bills; the accuracy of the data held for the free school meals auto enrolment entitlement to ensure that everyone had been contacted; and the help available to ensure that people were receiving the relevant benefits. The Cabinet Member with the Stronger Communities Portfolio responded thereon.

**RESOLVED** - (a) That the proposed programme and estimated costings, as outlined in the submitted report, be approved.

(b) That delegated authority be given to the Chief Executive, in conjunction with the Portfolio Holder for Children and Young People, to amend funding pots as necessary to ensure full utilisation of the grant within the time period.

(c) That a submission to government be made based on the programme, as outlined in the submitted report.

**REASONS** – (a) To address the criteria laid down in the guidance.

(b) In order to secure the grant funding.

## **C136 HOUSING SERVICES ASSET MANAGEMENT STRATEGY**

The Cabinet Member with the Health and Housing Portfolio introduced the report of the Group Director of Operations (previously circulated) requesting that consideration be given to the Housing Services Asset Management Strategy 2024/29 (also previously circulated).

The submitted report stated that the Council provided over 5,300 high quality homes for local residents; the Council were committed to providing safe, energy efficient and comfortable homes; and that the Housing Services Asset Management Strategy 2024/29 set out how Housing Services would ensure the efficient and effective management of the housing assets, as a core requirement of meeting the Council's landlord services function.

**RESOLVED** – (a) That the report be noted.

(b) That the Housing Services Asset Management Strategy, as appended at Appendix 1 to the submitted report, be approved.

**REASONS** – (a) The Housing Services Asset Management Strategy ensures the Council has a clear approach to managing the Council's housing assets.

(b) In addition, the Regulator of Social Housing's new Consumer Standards from April 2024 places a duty on social housing landlords to:

- (i) have an accurate, up to date and evidenced understanding of the condition of their homes that reliably informs the provision of good quality, well maintained and safe homes for their tenants, and
- (ii) provide an effective, efficient, and timely repairs, maintenance and planned improvements service for their homes and the communal areas and shared spaces for which they were responsible.

(c) The adoption of a formal Asset Management Strategy is one of the ways to demonstrate how the Council will achieve this.

## **C137 HOUSING SERVICES VULNERABILITY POLICY**

The Cabinet Member with the Health and Housing Portfolio introduced the report of the

Group Director of Operations (previously circulated) requesting that consideration be given to the Housing Services Vulnerability Policy 2024/29.

The submitted report outlined the background to the introduction of the Housing Services Vulnerability Strategy; detailed the aims of the policy, and the outcome of the consultation.

Reference was made at the meeting to the terminology used in the policy; how to publicise the policy, particularly to those that did not believe that they were vulnerable; and how the policy would impact on neighbouring tenants with different needs, should there be a dispute. The Cabinet Member with the Health and Housing Portfolio responded thereon.

**RESOLVED** – (a) That the report be noted.

(b) That the Housing Services Vulnerability Policy, as detailed at Appendix 1 to the submitted report, be approved.

**REASONS** – (a) The Housing Services Vulnerability Policy ensures the Council has a clear approach to supporting its tenants and taking consideration of their needs

(b) The Regulator of Social Housing's new Consumer Standards from April 2024 places a duty on social housing landlords to:

- (i) treat their tenants and prospective tenants with fairness and respect, and
- (ii) take action to deliver fair and equitable outcomes for their tenants and prospective tenants.

(c) The adoption of a formal Vulnerability Policy is one of the ways to demonstrate how the Council will achieve this.

**C138 MEMBERSHIP CHANGES - TO CONSIDER ANY MEMBERSHIP CHANGES TO OTHER BODIES TO WHICH CABINET APPOINTS.**

There were no membership changes reported at the meeting.

**DECISIONS DATED –  
FRIDAY 10 MAY 2024**



**CABINET**  
**11 JUNE 2024**

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## **RELEASE OF EDUCATION CAPITAL FUNDS**

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**Responsible Cabinet Member -**  
**Councillor Nick Wallis, Children and Young People Portfolio**

**Responsible Director -**  
**James Stroyan, Group Director of People**

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## **SUMMARY REPORT**

### **Purpose of the Report**

1. To seek Members' agreement to release education capital funds for the reasons outlined below.
  - (a) Release £184,335 of Childcare Expansion funding for the projects listed at paragraph 7 below.
  - (b) Release £267,245 of Section 106 funding for the Abbey Federation.
  - (c) Release £21,000 of High Needs Capital funding for Hummersknott Academy.
  - (d) Release £38,000 of High Needs Capital Funding for Marchbank Free School

### **Summary**

2. This report seeks Cabinet approval for the release of £184,335 of childcare capital expansion funding, £267,245 of Section 106 funding and £59,000 of High Needs Capital Funding.
3. All projects will be managed in line with the Corporate Capital Process procedures. Projects will be grant funded with the schools managing the projects, so there will be no risk of overspend on the Council.

### **Recommendations**

4. It is recommended that Members agree to:
  - (a) Release the full allocation of £184,335 for the Childcare Expansion projects.
  - (b) Release £267,245 of Section 106 funding for projects at the Abbey Federation.

- (c) Release £21,000 of High Needs Capital funding for EHCP adaptations at Hummersknott Academy.
- (d) Release £38,000 of High Needs Capital funding for EHCP adaptations at Marchbank Free School.

### **Reasons**

- 5. The recommendations are supported to release the funding which will allow the educational settings to enhance their educational facilities, targeting capital investment in the areas identified as greatest need.

**James Stroyan,  
Group Director of People**

### **Background Papers**

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

Paul Richardson 0794 724 7224

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| S17 Crime and Disorder                           | Capital investment to improve facilities and provide better building maintenance will contribute to the reduction of crime and disorder.   |
| Health and Wellbeing                             | Capital investment to improve facilities and provide better building maintenance will contribute to the reduction of crime and disorder.   |
| Carbon Impact and Climate Change                 | All work undertaken will be designed and constructed with sustainability in mind and aim to reduce the carbon footprint, and re-use energy and environmental resources.  |
| Diversity  | This proposal projects have no specific impact on protected groups.  |
| Wards Affected                                   | Settings located in:<br>Eastbourne (Maidendale Nursery)<br>Sadberge and Middleton St. George (Middleton St. George Day Nursery)<br>Eastbourne (St Teresa's Catholic Primary)<br>Mowden (Mowden Pre-School)<br>Park West (All Saints Pre-School)<br>College (Abbey Federation)<br>Hummersknott (Hummersknott Academy)<br>Mowden (Marchbank Free School) |
| Groups Affected                                  | Children and young people (0-16) in Darlington.  |
| Budget and Policy Framework                      | This report does not recommend a change to the budget and policy framework.  |
| Key Decision                                     | This is a not a key decision.  |
| Urgent Decision                                  | For the purpose of the 'call-in' procedure this does not represent an urgent matter.   |
| Council Plan                                     | The Capital Programme is consistent with the Council Plan providing high quality facilities that support modern approaches to education in schools and for lifelong learning.  |
| Efficiency                                       | Defective materials and plant will be replaced with more efficient products, e.g. increasing 'u' value on windows, insulation and modern highly efficiency boilers.  |
| Impact on Looked After Children and Care Leavers | The proposed projects have no specific impact on Looked After Children or Care Leavers.  |

## MAIN REPORT

### Childcare Capital Expansion Funding

6. In November 2023 the government announced a package of capital funding as part of the national childcare expansion programme. For Darlington the allocation was £184,335. Officers subsequently sought expressions of interest from a wide range of providers.
7. The successful bidders were as follows:
  - (a) Maidendale Nursery - £60,000 – reconfiguration of premises to provide additional childcare places;
  - (b) Middleton St George Day Nursery - £30,000 – refurbishment of premises to provide additional childcare places;
  - (c) St Teresa's Catholic Primary - £5,000 – Additional equipment for wraparound provision to allow provision to be moved in-house following closure of the existing provider;
  - (d) Mowden Pre School - £7,740 - reconfiguration of premises to provide additional childcare places;
  - (e) All Saints Pre-School - £25,000 – provision of child appropriate toileting facilities to allow for additional childcare places.
8. The successful bids total £127,740. Two other bids are still subject to further clarification, however as works are likely to be undertaken during the school summer holidays it would be prudent for all of the funding allocation to be released as soon as possible. Remaining projects will follow the same approval process, with any remaining funds allocated by officers in line with the grant purpose.

### Section 106 Funding

9. The Council received two Section 106 contributions for additional primary places in the west end of Darlington. £87,000 from the Woodburn Nursery development (15/00513/FUL) and £180,245 for land at Carmel Road South (17/00818/FUL).
10. Taking Darlington as a whole, evidence suggests that there is no requirement for additional primary places. However, locally Abbey Infants is at capacity and Abbey Juniors currently only has 13 spare places across the four-year groups. Both schools have been graded Good by Ofsted.
11. As well as being very near capacity, Abbey Infants and Juniors have seen a significant increase in the number of children with Education, Health and Care Plans (EHCPs) and are in need of further physical space at the school to provide appropriate education for these pupils. This includes classrooms for small groups teaching and break-out areas.
12. The proposal is to build a three-classroom modular unit to provide the additional space required to meet the needs of the increasing number of EHCP pupils.

13. These funds are due to expire October 2024 and April 2027 respectively, and if unused will have to be returned to their respective developers. Subject to Cabinet approval, the Section 106 funds will be released to the Trust before their expiry dates.
14. Any capital works undertaken using the Section 106 funding will be delivered in consultation with the academy trust.

### **High Needs Capital Funding**

15. Hummersknott Academy has a EHCP pupil starting in September 2024 who will require specific reconfiguration of existing spaces to provide specialist facilities. The requirements are beyond the normal 'reasonable adaptations' that the school would be expected to fund. The total cost of the reconfiguration works is £21,000. This investment will improve access at Hummersknott Academy for a wider range of EHCP pupils in a mainstream school.
16. Marchbank Free School have agreed to provide additional high needs places from September 2024 but require some minor works to create additional classroom space and additional toileting facilities. The total costs of these works is £38,000.

### **Financial Implications**

17. The Childcare Expansion Capital Grant and High Needs Capital are grants from the Department for Education (DfE). The Section 106 funding is from developer contributions. There is no impact on Council funds.
18. The Childcare Expansion Capital Grant and High Needs Capital must be spent in accordance with the DfE's 'capital grants spend guidance', the latest edition being from March 2023. The Section 106 funds will be spent in line with the terms and conditions in the agreements.
19. All funding will be paid through DBC grant agreements to the settings or trusts concerned. As projects will be managed by these entities, there will be no risk of overspends to the Council.

### **Consultation**

20. Any capital works will be undertaken in consultation with the settings concerned.

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**CABINET**  
**11 JUNE 2024**

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## **REPRESENTATION ON OTHER BODIES 2024/25**

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**Responsible Cabinet Member -**  
**Councillor Stephen Harker, Leader and all Cabinet Members**

**Responsible Director -**  
**Elizabeth Davison, Group Director of Operations**

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### **SUMMARY REPORT**

#### **Purpose of the Report**

1. To consider this Council's representation on other bodies for the 2024/25 Municipal Year, to which Cabinet appoints.

#### **Recommendation**

2. It is recommended that the appointments to the other bodies, as detailed in paragraph 6 of the main report, for the 2024/25 Municipal Year, be approved.

#### **Reasons**

3. The recommendation is supported to comply with the nominations received from the Political Groups.

**Elizabeth Davison**  
**Group Director of Operations**

#### **Background Papers**

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

Lynne Wood : Extension 5803

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| S17 Crime and Disorder                           | The report contributes to the prevention of crime and disorder, in a number of ways, through the involvement of local elected representatives in a number of outside bodies.   |
| Health and Well Being                            | The appointment of local elected representatives to various outside bodies will enable the health and well-being of the people of the Borough to be highlighted through the work, policies and decisions of those bodies.  |
| Carbon Impact and Climate Change                 | The appointment of local elected representatives to a range of key local and national bodies, will enable carbon impact and climate change to be considered in the development of policies and other decisions through those bodies.   |
| Diversity  | The report contributes to diversity in a number of ways through the involvement of local elected representatives on a range of key local and national bodies, and the development of policies and other decisions through those bodies.  |
| Wards Affected                                   | This report does not immediately affect any wards within the Borough.  |
| Groups Affected                                  | This report does not have any impact on any particular parts of the community.   |
| Budget and Policy Framework                      | This report does not recommend a change to the Council's budget or policy framework.   |
| Key Decision                                     | This is a not a key decision.  |
| Urgent Decision                                  | This is not an urgent decision.  |
| Council Plan                                     | The report contributes to the delivery of the objectives of the Council Plan in a number of ways through the involvement of local elected representatives on a range of key local and national bodies, and the development of policies and other decisions through those bodies. |
| Efficiency                                       | There are no direct efficiencies to the Council from the information contained within this report. There is cost to the Council in attendance to meetings of bodies outside Darlington.  |
| 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

4. Listed below are details of nominations made to other bodies which have, for ease of reference, been listed in alphabetical order.
5. In accordance with this Council's Constitution, a number of appointments will / have been made by Annual Council, and listed below are those appointments to be made by Cabinet.
6. The details show nominations received from the Labour, Conservative, Green and Liberal Democrat Groups for the 2024/25 Municipal Year.

#### **Name of Body or Organisation**

#### **Nominations**

Association of Rail North Partnership  
Authorities

Rail North Ltd.

Councillor Harker (Leader of the Council) (as  
named substitute for the TVCAM)

Rail North Committee

Councillor Harker (Leader of the Council)

East Coast Mainline Authorities  
Group

Councillor Harker (Leader of the Council)

County Durham and Darlington  
Foundation Trust – Board of  
Governors

Councillor Kane

Creative Darlington

Councillor McCollom (Cabinet Member with Local  
Services Portfolio) (Chair of Communities and Local  
Services Scrutiny Committee as named substitute)

Crown Street Library Trustee Board

Councillor Harker (Leader of the Council)

Darlington Cares

Councillor McEwan

Darlington Railway Museum Trust

Councillor McCollom (Cabinet Member with Local  
Services Portfolio)

Darlington Safeguarding Partnership

Councillor Wallis (Cabinet Member with the  
Children and Young People Portfolio) and  
Councillor Curry (Cabinet Member with the Adults  
Portfolio)

Darlington Town Centre Deal Board

Councillor Harker (Leader of the Council) and  
Councillor Dr Riley

|  |   |
|--|---|
| Darlington Young People's Engagement and Justice Service Board | Councillor Wallis (Cabinet Member with Children and Young People Portfolio) (Councillor Kane as named substitute)   |
| Durham County Pension Fund Committee                           | Councillor Porter (Cabinet Member with Resources Portfolio) and Chair of Economy and Resources Scrutiny Committee   |
| Family Help Organisation                                       | Councillors Ali, Crumbie and Kane   |
| Fostering Panel  | Councillor Ali  |
| Integrated Care Partnership Tees Valley                        | Councillor Roche (Chair of Health and Well Being Board) (Councillor Layton as named substitute)   |
| Maidendale Nature and Fishing Reserve (Associate Member)       | Councillor Dillon (Ward Member)   |
| North East Ambulance Service                                   | Councillor Roche (Chair of Health and Well Being Board)   |
| North East Child Poverty Commission                            | Councillor Wallis (Cabinet Member with Children and Young People Portfolio)   |
| North East Regional Employers Organisation                     | Councillor Porter (Cabinet Member with Resources Portfolio), Chair of Economy and Resources Scrutiny Committee and Vice Chair of Economy and Resources Scrutiny Committee |
| Executive Committee  | Councillor Porter (Cabinet Member with Resources Portfolio)   |
| North East Strategic Migration Partnership                     | Councillor Wallis (Cabinet Member with the Children and Young People Portfolio) (Councillor Harker (Leader of the Council) as named substitute)                           |
| Northern Housing Consortium                                    | Councillor Roche (Cabinet Member with Health and Housing Portfolio)   |
| Northumbrian Regional Flood and Coastal Committee              | Councillor Snedker  |
| Poor Moor Fund/Charity   | Councillor Porter (Cabinet Member with Economy Portfolio)   |
| RELATE North East  | Councillor McCollom and Councillor Mahmud   |

|   |  |
|---|--|
| Stockton and Darlington Railway Heritage Board                  | Councillor McCollom (Cabinet Member with Local Services Portfolio)   |
| Teesside International Airport Limited - Board                  | Councillor Garner (to be appointed as Director) (Councillor Haszeldine named substitute Director)                      |
| Teesside International Airport Limited - Consultative Committee | Councillor McCollom (Cabinet Member with Local Services Portfolio)   |
| Tees Valley Local Access Forum                                  | Chair of Communities and Local Services Scrutiny Committee (Chair of Health and Housing Committee as named substitute) |

### **Outcome of Consultation**

7. No consultation, other than with the political groups, was undertaken on the contents of this report.

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**CABINET**  
**11 JUNE 2024**

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## **DARLINGTON LONG TERM PLAN FOR TOWN FUNDS**

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**Responsible Cabinet Member – Councillor Stephen Harker, Leader**

**Responsible Director – Ian Williams, Chief Executive**

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### **SUMMARY REPORT**

#### **Purpose of the Report**

1. To update Cabinet on the recently announced allocation of £20m from the Government's Long Term Plan for Towns to cover a 10-year period.
2. To advise Cabinet of the need to increase representatives on the Town Board, including one additional elected member.

#### **Summary**

3. The report sets out the guidance for the recently announced funding made available to Darlington through the Long-Term Plan for Towns initiative.
4. A requirement for the funding is that the current Town Board is reviewed to ensure an increase in community representation, and the increase of elected members on the Town Board from one to two.

#### **Recommendation**

5. It is recommended that Members note the funding confirmation and the proposed changes to Darlington Town Board.

#### **Reason**

6. The recommendation is supported to contribute to the further economic wellbeing and vitality of the Town.

**Ian Williams**  
**Chief Executive Officer**

## Background Papers

Department for Levelling Up, Housing and Communities - Long-Term Plan for Towns - Guidance for Local Authorities and Town Boards.

Mark Ladyman: Extension 6306

|  |   |
|--|---|
| S17 Crime and Disorder                           | This paper supports and complements the actions detailed in the Community Safety Strategy to reduce ASB in the Town.  |
| Health and Well Being                            | No direct impacts   |
| Carbon Impact and Climate Change                 | No direct impacts   |
| Diversity  | No direct impacts   |
| Wards Affected                                   | As per Built Up Urban Area  |
| Groups Affected                                  | All   |
| Budget and Policy Framework                      | Long-Term Plan for Towns will bring together community leaders, business people, and local bodies to forge the town's future together, alongside the funding needed to deliver for their communities in the long-term |
| Key Decision                                     | No  |
| Urgent Decision                                  | No  |
| Council Plan                                     | The actions detailed in the report aim to improve the attractiveness of the Town.   |
| Efficiency                                       | The report aims to utilise the Council's and partner resources in a collective more efficient manner.   |
| Impact on Looked After Children and Care Leavers | This report does not impact on the Looked After Children or Care Leavers  |

## MAIN REPORT

### Information and Analysis

#### Darlington's Town Deal

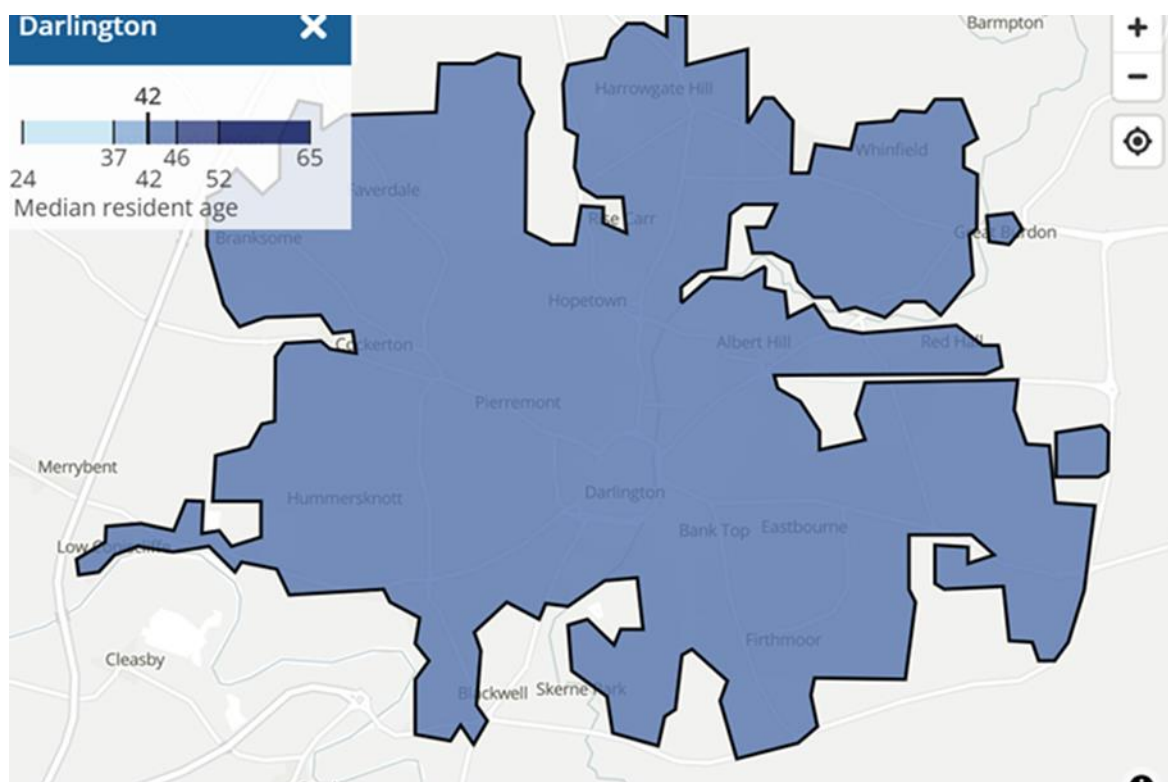
- As part of the budget speech in March 2024 it was announced that Darlington would be part of the second tranche of the Long-Term Plan for Towns (LTPT) initiative. The initiative makes available £20m over a 10-year period. LTPT programme expects that town improvements and priorities are 'owned' by local residents, as well as affected business and community organisations. It expects that local people are given the opportunity to identify their needs and hopes for the town, which will then identify which projects the funding will be allocated. This funding presents a unique opportunity for strategic, long-term planning aimed at revitalising local communities.
- The guidance requires areas to set up a Town Board to administer the funds however as Darlington has already a well-functioning Town Board it is proposed that changes are made to the membership of the current Board in order that it is more inclusive of community and voluntary groups within the town.

9. The relevant Government guidance sets out expectations for any revised Board. They must include:
  - (a) Independent Chair
  - (b) MP
  - (c) Two Councillors
  - (d) Increase in community group representation.
  - (e) Police and Crime Commissioner (PCC) Rep
10. The current Board has already an independent chair and deputy chair, in addition to the MP and the Leader of the Council. It is proposed that one additional elected member is co-opted on the Board together with a PCC rep and community group representation. This community representation could be from several organisations and groups and from the three thematic areas of proposed interventions identified in the guidance. These will be detailed later in the report. Officers have indicated the proposed Board changes to the Department for Levelling Up, Housing and Communities (DLUCH), as this was required by 1 June 2024. At the Town Board meeting held on 13 May 2024 it was agreed to include 5 new community representatives and 2 additional business representatives, and that three subgroups with additional community representation would be established to develop the interventions projects for the thematic areas and contribute to the 10-year vision.
11. The three thematic areas are: Safety and Security, High Streets, Heritage and Regeneration and Transport and Connectivity interventions.
  - (a) Safety and security
    - (i) Design and management of the built and landscaped environment to 'design out crime'.
    - (ii) Engage with Police Force and together consider interventions to focus on visible crime prevention in defined areas places.
    - (iii) Measures to prevent anti-social behaviour, crime and reduce reoffending.
    - (iv) Measures to reduce repeat burglary.
  - (b) High Streets, Heritage, and Regeneration
    - (i) Funding for place-based regeneration and town centre and high street improvements
    - (ii) Funding for new or improvements to existing, community and neighbourhood infrastructure projects and assets including those that increase communities' resilience to natural hazards, such as flooding, and support for decarbonisation of facilities, energy efficiency audits, and installation of energy efficiency and renewable measures in community buildings (including capital spend and running costs).
    - (iii) Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.
    - (iv) Investment in open markets and improvements to town centre retail and service sector infrastructure, with wrap around support for small businesses

(c) Transport and connectivity interventions

- (i) Support for active travel enhancements in the local area
  - (ii) Funding for bus infrastructure and connections to speed up journeys.
  - (iii) Funding for new, or improvements to road networks to improve access within and to the town.
12. By 1 November 2024 the Council will need to submit a high level 10-year vision for the town and incorporate a 3-year investment plan for the Fund. It is important that the vision and intervention plan is fully informed by the views of the communities in Darlington. The Plan will conform to the geographical area that will be covered known as the Built-Up Area defined by the Office of National Statistics and illustrated in Figure 1. There will be £6m available for the first of the three-intervention period with the remainder spread over remaining period of the fund allocated in 3-year periods. Funding can be carried forward into the subsequent 3-year programme period but cannot be brought forward.

Figure 1. Built Up Area





### **Forward Funding**

13. The Council will be the accountable body for this funding. This is the current arrangement with the Town Deal Fund. The Council received £50,000 forward funding in April to commence the necessary preparatory work and will receive a further £200,000 in June to fund the development of a town vision and the initial 3-year intervention programme and to assist in capacity building within the community and voluntary sector.

### **Financial Considerations**

14. The Council will be the accountable body for the LTPT and therefore the funding will come to the Council. The final terms and conditions of the funding are yet to be received. There should be no financial implications for the Council as the programme of works and initiatives will be funded entirely from the LTPT and approved by the Towns Board.

### **Consultation**

15. Due to the timeframe set out to review the Town Board, and the relatively tight deadline for the submission of the visioning document and first 3-year investment programme, officers have commenced early dialogue and engagement with community and voluntary groups. A meeting with the Voluntary and Community Sector Engagement Group was arranged and four representatives for the Board have been identified, together with a representative from the PCC, town business representatives and two additional community members. It is proposed that this Board remains in place for 12 months with a further review once a full appreciation of the requirements of the new Board are established.

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**CABINET**  
**11 JUNE 2024**

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## **WILKINSON'S BUILDING ACQUISITION AND PROCUREMENT OF DEVELOPMENT PARTNER**

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**Responsible Cabinet Member –**  
**Councillor Chris McEwan Deputy Leader and Economic Portfolio**  
**Councillor Mandy Porter, Resources Portfolio**

**Responsible Director – Ian Williams, Chief Executive**

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### **SUMMARY REPORT**

#### **Purpose of the Report**

1. The purpose of this report is to seek Cabinet approval in principle to the Council entering into an agreement with a developer to bring forward redevelopment of key town centre sites. Detailed terms of any such agreement and subsequent detailed proposals will be submitted to future meetings of Cabinet for approval. The currently identified sites for redevelopment are detailed in **Appendix 1**.
2. In addition, this report is to seek Cabinet approval to acquire the long leasehold interest of the land and buildings of the former Wilkinson's store at East Street. The ambition will be to include this site as part of the programme of town centre strategic development. It is earmarked as a site with potential redevelopment opportunity in the published Town Centre Strategy. The property is shown hatched on the plan at **Appendix 2**.

#### **Summary**

#### **Development Partner Proposal**

3. Members will recall that the adopted Town Centre Strategy focuses upon the diversification of the town centre with an emphasis on developing both residential and commercial in former commercial buildings and vacant land as one of the main drivers in meeting the Council's objective in stimulating economic growth.
4. To date there are several notable successes in the delivery of this ambition. The former Sports Direct building been acquired and demolished to present a cleared site for future development. In addition, the Northern Echo building has been acquired and work has commenced to transform this building into an Adult Training Hub on the ground floor and high-quality managed office space on the upper floors.
5. The Council's objective of stimulating economic growth by attracting more businesses and jobs to the town centre is being led by the delivery of the various Town Fund initiatives and acquisitions through the TVCA Ingenious Growth Fund and the relocation of Darlington Economic Campus (DEC) which will in turn stimulate further commercial

development and corporate investment. One of the key factors for the success of such a strategy is being able to convince inward investors and resizing/relocating businesses, that Darlington town centre is the right location for them and their employees.

6. The Aspinall Verdi Office Workplace Study prepared in May 2022 concluded that up to 250,000 sqft of new office space, in addition to the DEC, would be required over the next 10 years.
7. New development will be crucial to meeting this demand, and in attracting new business and investment into the town centre. With limited capacity to carry out major new development operations itself, it is considered essential that the Council appoints a preferred private development partner to provide specialist development skills and expertise and to limit the Council's risks.
8. The development partner's role will be to oversee the development management process, prepare design work, secure planning permission, place construction building contracts, market and let schemes to occupiers, and secure the required funding commitments.
9. It is envisaged that a development partner would work with the Council over a 10 to 15 year period to bring forward three core town centre sites, plus any others as may be identified in a phased approach. This would maximise private sector commercial investment as well as public sector funding opportunities available now and in the future.
10. The three core areas identified for redevelopment are at Kendrew Street, East Street and Commercial Street, and offer a range of development options including residential, mixed use and office led commercial development.

### **Wilkinson's Acquisition**

11. Following Wilkinson's administration, the opportunity has arisen to assemble the East Street core development area as originally envisaged as part of the Town Centre Strategy. The Wilkinson's East Street site has long been earmarked for redevelopment and was subject to an unsuccessful bid a few years ago for High Street Funding.
12. The proximity of the former Wilkinson's building to both the former Sports Direct site and the Brunswick Street site lends itself well to strategic and comprehensive development options which could have a significant impact on the economic development of the town centre. Cohesive future development of these sites would continue the regeneration of this area of town and support recent investment in the Northern Echo Building, the Library, and nearby Brunswick Street – future home of the Darlington Economic Campus. Refer to **Appendices 3 and 4** for locational context.
13. The Council owns the freehold of the former Wilkinson's East Street site, which is subject to a 125-year long lease to a private concern. Now that the retail element of the property is vacant, the leaseholder is marketing their long leasehold interest of the whole building for sale or let.
14. It is proposed that the Council acquire the long leasehold interest. This acquisition would give the Council full control over 0.54 hectares (1.35 acres) of strategically important development land.

15. The Local Plan policies provide flexibility in terms of future use. They encourage the site to be retained as a main town centre use such as retail, leisure or offices, but do not preclude some residential development, subject to satisfying certain criteria.
16. This proposal has presented itself at a time when Council budget is being considered and the constraints are clear as set out in MTFP. However, a consequence of a failure to secure the property will result in the council having limited control over this important Town Centre site with no clarity on future intentions or condition for the building.
17. Re-letting of the store by the current leaseholder may result in an incompatible user adjacent to Council owned sites that have recently been subject to significant investment. Sale of the leasehold interest to another party may introduce a risk that the building/site may be land banked and development may not come forward for many years. The building / site could become an eyesore and a health and safety risk during this time.
18. Following acquisition, if approved, a short-term flexible letting by the Council to a suitable tenant to reduce holding costs can be explored.
19. Some discussion with the long leaseholder has taken place and although provisional, agreed terms are set out in **Appendix 5** to be considered as a **Part III** to this report.

## **Recommendations**

20. It is recommended that:

- (a) Cabinet approves the acquisition of the long leasehold interest by way of acceptance of a lease surrender for a premium sum as set out in Appendix 5 Part III of this report, and;
- (b) The Assistant Director for Law and Governance be authorised to complete the transaction accordingly, and;
- (c) Cabinet set aside budget to cover holding costs as estimated in paragraph 60 of this report, and;
- (d) The Assistant Director for Economic Growth be authorised to approve final holding costs, and;
- (e) Cabinet approves in principle, entering into an agreement with a private sector development partner to bring forward development on several town centre sites, the details of the agreement and the final list of sites to be included, to be presented to Cabinet at a future meeting for approval.

## **Reasons**

21. The recommendations are supported by the following reasons:

- (a) To secure property for future strategic Town Centre development, and

- (b) To give the Council control of a prominent town centre site.

**Ian Williams**  
**Chief Executive**

### **Background Papers**

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

Sarah Wayman

|  |   |
|--|---|
| S17 Crime and Disorder                           | The report has no implications for crime and disorder   |
| Health and Wellbeing                             | The report has no implications for health and wellbeing   |
| Carbon Impact and Climate Change                 | <p>If the site is maintained as is and leased out in the short term, climate emissions are likely to be minimal during this period, other than emissions from normal operations.</p> <p>If the site is demolished and redeveloped there will be climate emissions related to both processes. Redevelopment by a third party would be recorded and tracked against borough wide statistics.</p> <p>As one of the cheaper car parks in town it is well used by Council staff. Removal of the car park is likely to have an impact on staff coming into Town Hall.</p> |
| Diversity  | No implications   |
| Wards Affected                                   | Park East   |
| Groups Affected                                  | None  |
| Budget and Policy Framework                      | The resolutions in this report are not likely to result in changes to the budget framework.   |
| Key Decision                                     | No  |
| Urgent Decision                                  | No  |
| Council Plan                                     | Growing Darlington's Economy  |
| Efficiency                                       | The workload resulting from the recommendations in this report assumes resources at existing levels.  |
| Impact on Looked After Children and Care Leavers | There is no impact on Looked After Children and Care Leavers  |

## **MAIN REPORT**

### **Information and Analysis**

#### **Development Partner Proposal**

22. Darlington Town Centre is a key element of the economic, social and environmental fabric of the town. It needs to be at the core of community and economic life, offering spaces in

which to live, meet and interact, do business, and access facilities and services. The Council together with partners needs to take collective responsibility to help the town centre thrive sustainably, reinvent its function, and meet the needs of residents, businesses, and visitors.

23. Given the changes in both the environment of the high street and changes in peoples shopping habits there is a need for all towns to develop plans that have business investment at their heart and are focused on transforming the place into a complete community hub incorporating health, housing, arts, education, entertainment, leisure, business/office space, as well as retail. Councils together with business and the communities needs to develop a compelling proposition both for residents, stakeholders and visitors, a proposition that embraces the heritage, culture and social context of the town.
24. The market is extremely limited Given the long-term occupation of Feethams House and the lack of availability of Grade A office buildings in the town centre for future business enquiries,. Following the announcement of the development of DEC the Council has experienced a growth in enquiries from professional service organisations into available office space within the town centre. These enquiries often require a location within the town centre near the DEC and in high quality office facilities. The Aspinall Verdi Office Workplace Study prepared in May 2022 concluded that up to 250,000 sqft of office space, in addition to the DEC, would be required over the next 10 years.
25. The Council has been successful in assembling three core development sites to act as opportunities and catalysts for regeneration of the town centre and to meet market demand. The sites have been assembled by the recent acquisition of several buildings and parcels of land together with long standing ownership of land in prominent areas of the town centre which are currently used for surface car parks.
26. The three core development sites are shown at Appendix 1 and are summarised below:
  - (a) Commercial Street:
    - (i) Comprising the existing surface car park and the cleared site on Union Street
    - (ii) Shown coloured red and labelled A
  - (b) Kendrew Street:
    - (i) Comprising Kendrew Street car park, Northgate House, and the adjacent buildings in private ownership
    - (ii) Shown coloured light and dark green and labelled B
  - (c) East Street:
    - (i) Comprising the former Wilkinson and Sports Direct stores
    - (ii) Shown coloured blue and yellow and labelled C and D respectively

27. The three core development sites are largely within the ownership or control of the Council, with only a few exceptions. One of the most significant exceptions is the Wilkinson's East Street site. A proposed solution to the Wilkinson ownership issue is addressed later in this report.
28. These sites offer a range of development options including residential, mixed use and office led commercial development.
29. The town centre redevelopment would be a large and ambitious regeneration initiative of a scale that has not been seen since the town centre remodelling works carried out in the 1960s and 80s. It also involves the key objective to establish a residential community in a location where the residential property market is still immature and emerging, making financial viability a key issue for its successful delivery. In addition, it will complement the DEC investment and ensure the anticipated demand for high quality office space can be met in the town centre. However, recent retailing and business trends have driven a downturn in fortunes for several parts of the town centre, resulting in what once were quality high street shops becoming empty or accommodating secondary or low grade uses. The development of these areas will bring the critical mass of demand and spending power that will help to boost retail, business and leisure sectors and produce a truly economically sustainable city centre.
30. The successful and viable delivery of the various town centre schemes will ultimately depend on a mixture of private and public sector investment, in a time when securing such funding is extremely challenging. In engaging with its key public sector partners, Homes England and the Tees Valley Combined Authority, the Council has been able to gain their interest and support in recognising the strategic importance of the redevelopment of Darlington and the Region, and having a delivery partner with a track record of successful delivery of similar urban regeneration schemes, such a three way public private sector partnership should be well placed to attract the essential funding needed to see the scheme through to fruition.
31. As any redevelopment of these sites will require substantial public sector support/backing it is considered beneficial to engage a development partner with skills in public/private sector regeneration schemes early in the development process to bring innovation and commercial skills to the process of scheme design and limit the Council's risks. The development partner's role will be to oversee the development management process, prepare design work, secure planning permission, place construction building contracts, market and let schemes to occupiers, and secure the required funding commitments.
32. It is envisaged that a development partner would work with the Council over a 10-to-15-year period to bring forward the core sites in a phased approach which would maximise private sector commercial investment as well as public sector funding opportunities available now and in the future.
33. The Council has limited capacity and expertise to carry out such major new development operations itself.
34. In order to establish an early insight into the required interventions Savills were appointed to provide a Market Demand and Viability Assessment to support the process for selecting



a preferred Development Partner to deliver the proposals for the Council's core Town Centre regeneration sites.

35. A future report on the outcome of this process will be presented to Cabinet for agreement.

### **Acquisition of the former Wilkinson's Building**

36. The former Wilkinson's building actively fronts the junction of Quebec Street, East Street and Crown Street and consists of a large floorplate retail shop with car parking above. The shop is currently fitted out to Wilkinson's specification. Vehicular access to the car park is via a spiralling concrete ramp to the rear of the building. Pedestrian access to the car park is via a separate stairwell at the southwest corner of the building, or a lift which is located within the shop itself with no separate access.
37. The Council owns the freehold of the land upon which the property is situated. The Council granted a 125-year lease of the building in 1981 to Hambro Life Assurance Limited. In 2017 the current owners acquired the lease by assignment.
38. Wilkinson's was in occupation of the basement and ground floor of the property from 1995 until Q3 2023 when the company went into administration and their lease ended. The retail section of the building is currently vacant.
39. The Council holds a lease of the car park on the first floor and roof. The Council car park is not well utilised but remains in operation with pedestrian access via the stairwell only.
40. It is proposed that the Council acquire the 125 year leasehold interest. This transaction would result in the Council having full control over the future of the site, with no third party interests remaining.
41. The site is located within the East Street core development area, as described at paragraph 26. The proximity of the subject property to the former Sports Direct site and the Brunswick Street site lends itself well to strategic and comprehensive development options which could have a significant impact on the economic development of the town centre. Future development of the site would continue the regeneration of this area of town and support recent investment in the Northern Echo Building and the Library. The nearby sites are highlighted on the plans at Appendices 2 and 3.
42. The Brunswick Street site has been confirmed as the location for the new Darlington Economic Campus with the creation of up to 1400 civil servant posts. Earlier this year the Council and Tees Valley Combined Authority commissioned an independent Economic Impact study, carried out by Urban Foresight and a market research and demand study carried out by Aspinall Verdi. These reports highlight and predict continued and significant Grade A office demand in the town over the next 10 years. The former Sports Direct site has recently been the subject of a design competition and ideas have been put forward for an office led development. The acquisition of the former Wilkinson's site presents an opportunity to consider the context and development of these three sites together. The site may also present an opportunity to bring forward modern residential accommodation in the town centre.

43. The Local Plan (2016-2036) shows the former Wilkinson's building being located within development limits identified by Policy H3. This policy confirms that development will be acceptable in principle subject to compliance with national and local policies. It is also located within the Town Centre Boundary and Primary Shopping Area identified by Policies TC1 and TC2 of the Local Plan which ensures that main town centre uses are maintained in this area. The supporting text to Policy TC2 states "there is a need for flexibility due to the changing role of town centres, which are no longer solely a shopping destination but provide a range of other leisure and social functions including housing use on the upper floors". Policy TC2 states that to maintain vitality and viability the Local Planning Authority will permit non-retail uses in shopping frontages where appropriate subject to its position and attractiveness within the frontage and the relative pedestrian flow associated with the unit compared with the wider centre.
44. In summary, the Local Plan policies provide flexibility in terms of future use, encouraging the site to be retained as a main town centre use such as retail, leisure or offices, but do not preclude some residential development, subject to satisfying certain criteria. The Town Centre Strategy had identified this site as a potential redevelopment opportunity and this proposal if approved is a necessary step in achieving the Strategic Town Centre objectives.

#### **Risks – Development Partner**

45. This is a large scale, long term proposal. The redevelopment opportunities outlined in this report are significant, covering several sites and present many challenges. Should the proposal receive approval, a large amount of work will be required over several years before the delivery of a finished project will be realised. For example, further site assembly, procurement process for a preferred development partner, design and planning process, demolition and construction. It is envisaged that a developer will phase development of the three sites over a period of 10-15 years. As a result of phasing the development sites sequentially, some of the land parcels may stand vacant for over 10 years until ground is broken.

46. Below is an example timeline to reach completion of Phase 1. Whilst it is likely that planning for subsequent phases will begin during timeline of Phase 1 and will run concurrently, there are many other variables over the course of the 10-15 year period which will impact the timeline such as further site assembly and applying for funding to bridge the viability gap.

| Action  | Action Complete |
|---|-----------------|
| Cabinet Decision to Proceed                         | June 2024       |
| Acquisition of East Street (former Wilkinson's)     | July 2024       |
| Procurement Options                                 | October 2024    |
| Cabinet Decision to Proceed following due diligence | November 2024   |
| Procurement process                                 | December 2024   |
| Contracts complete                                  | February 2025   |
| Development scoping work and phasing plan           | May 2025        |
| Agree phase 1 in principle                          | July 2025       |
| Cabinet Decision to begin- Ph 1                     | September 2025  |
| Development due diligence and design – Ph 1         | December 2025   |
| Planning pre-app – Ph 1                             | March 2026      |
| Planning permission – Ph 1                          | August 2026     |
| Site preparation and demolition – Ph 1              | February 2027   |
| Construction – Ph 1                                 | March 2028      |

47. As stated above, these sites present many challenges to delivery. The recent viability study carried out by Savills estimated that total costs will exceed value by approximately 20%. This is known as a viability gap. There could be additional site assembly costs and demolition costs which would further put pressure on the viability gap. There is a risk that the viability gap is too great to bridge and sites cannot be developed.
48. Due to the long term nature of this proposal and risk that development may not come forward, or stall for a longer period than is reasonable, any contract with a developer will be carefully considered to include an exit strategy for the Council.
49. Development risk, such as abnormal costs and requirement to find an end user will be passed to the developer.
50. Council owned surface car park is located on each of the core development sites. Redevelopment of the sites will in time mean the loss of Kendrew Street car parks, East Street car park and Commercial Street car park. The East Street car park will remain in use following the acquisition until such point that the building is demolished when its future use is determined.
51. Car parking considerations and requirements for the Town Centre will be factored into any redevelopment proposal.

#### **Risks – Acquisition of Wilkinson's**

52. As a result of the long-term nature of this proposal, there will be inevitable holding costs of buildings and land until such time as they are demolished or development begins. Should the former Wilkinson's building be acquired, the holding costs could be in the

region of £112,000 per year. It is possible that, due to the lack of demand for large floor plate retail space in town centres at present, and the time to bring an approved scheme forward this property could remain vacant for a period. It is suggested that we provisionally allow holding costs for a three-year period. It is expected that Government will provide through TVCA schemes to facilitate demolition and clearance of brownfield sites but no absolute guarantee. The holding cost break down estimate is shown below. There is currently no provision in the MTFP for holding costs.

|                                       |                   |
|---------------------------------------|-------------------|
| Business Rates Liability              | £97,000 per annum |
| Security estimate                     | £5,000 per annum  |
| Ad hoc repair estimate (to keep safe) | £10,000 per annum |

53. Ideally the building would be demolished at the earliest opportunity, and conversation with TVCA has indicated that this proposal may well be an early candidate for Brownfield Infrastructure and Land regeneration grant. Alternatively, the demolition of the building could be passed to an appointed development partner at the earliest opportunity following an appointment, thus passing risk to a third party. Holding costs would be minimal following demolition.
54. Notwithstanding the challenges in the retail market, every effort could be made to let the space on a short-term flexible lease. This would mean that the Council could terminate the lease when the site was required and the holding costs, including business rates and costs of maintaining the property, would be met by the tenant whilst the lease was in place. Furthermore, with the shop open, the lift to the car park could be re-opened and increase the use of the car park and the income to the Council.
55. The Council's external non-domestic rating surveyor has provided a review of the property and has advised that there could be justification to support a reduction in the rates liability subject to further work being undertaken, which could help reduce holding costs.
56. If no action is taken to acquire control of this asset there is a risk that the current owner will sell the property to an inactive and obstructive landlord. It is widely accepted that buildings of this nature are now largely functionally obsolete due to market changes and the rise of internet shopping. Securing an occupier for a large retail floorplate is now extremely difficult but not impossible.
57. Vacant buildings usually fall into disrepair, become targets for vandalism and anti-social behaviour. Given the proximity of the former Wilkinson's building to the Council's former Sports Direct development site, and the DEC development site at Brunswick Street, this could have a detrimental impact on these redevelopment proposals, and negatively impact end values. The negative issues arising from long term vacant building would also impact the Council's East Street car park on the upper floors, and the library. Users may become more reluctant to use these facilities, health and safety issues may arise, and the Council may be called upon to enforce action via the long lease provisions or through other powers.
58. If the long leasehold is not acquired, there is a risk that an opportunity will be missed to regenerate a significant proportion of the town centre in a coherent approach, capitalising on the interest and demand generated from the DEC development to lever private

investment and further funding to support the economic development of the town centre and meet a strategic Council objective.

59. The provisionally agreed terms are set out in Appendix 5 to be considered as a Part III to this report.

#### **Valuation Comment – Acquisition of Leasehold at East Street**

60. It is considered that the price provisionally agreed for the acquisition of the long leasehold interest, (or more formally, the lease surrender premium), represents best consideration as required by S.123 of the Local Government Act 1972.

#### **Finance Comment**

61. This report seeks approval for the acquisition price / surrender premium as detailed in Appendix 5 Part III.
62. The acquisition price / surrender premium detailed in Appendix 5 Part III is not included in the MTFP and will be funded via Economic Growth Investment Fund (EGIF), and residual TVCA IGF.
63. This report also seeks approval for some short-term holding costs, possibly for three years of £112,000 pa. This is not included in the MTFP and will be a pressure on this budget.
64. This proposal to acquire what is considered a strategic Town Centre site has presented itself at a time when Council budget is being considered and the constraints are clear as set out in MTFP. Whilst it is believed this can be mitigated by either early demolition, or by agreeing short term tenancy lease with an occupier, nevertheless the proposal potentially will most likely add revenue cost until such time the property can be disposed of.
65. Cabinet should note that it is anticipated that the future sale of the site for development will be subject to planning, and sale/procurement and at this stage there is no cast iron guarantee that the full acquisition cost will be recouped. However, with urban living a clear need expressed in our Town Centre Strategy, with demand expected to rise, and with commercial space confirmed by independent consultants (Aspinal Verdi) in short supply and in close proximity to Darlington Economic Campus, Officers feel that the prospect of securing private sector interest is a high probability.

#### **Planning Comment**

66. There are no planning issues associated with this transaction. However, any future demolition will require planning consent, a pre-application will be required to fully assess planning issues.

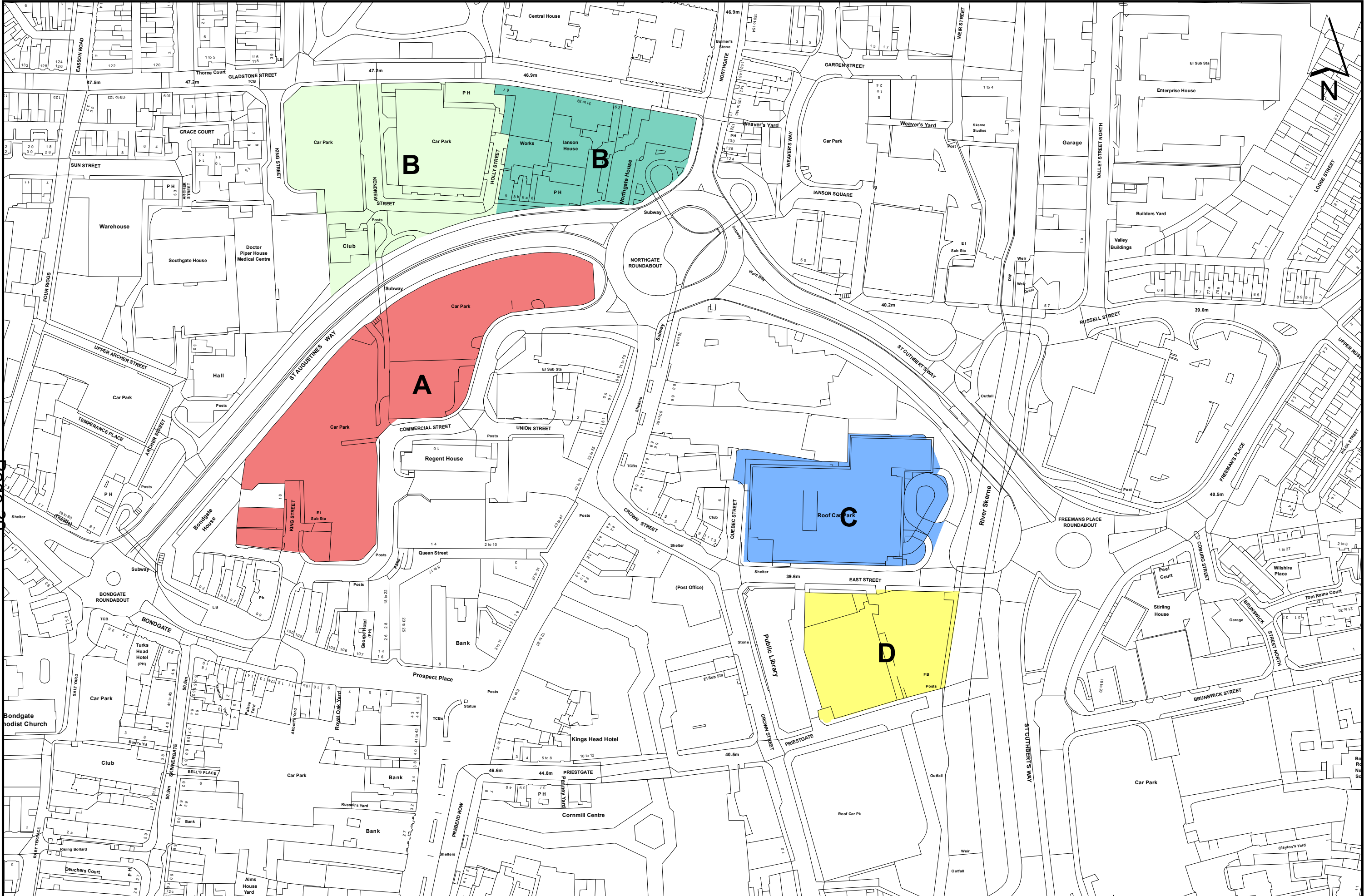
#### **Legal Implications**

67. As this proposal concerns the acquisition of land, the Council must ensure that it complies with S.123 of the Local Government Act 1972. Save for the above there are no legal

implications arising from the proposal in this report at this stage, though legal implications may arise following title investigations.

## **Procurement**

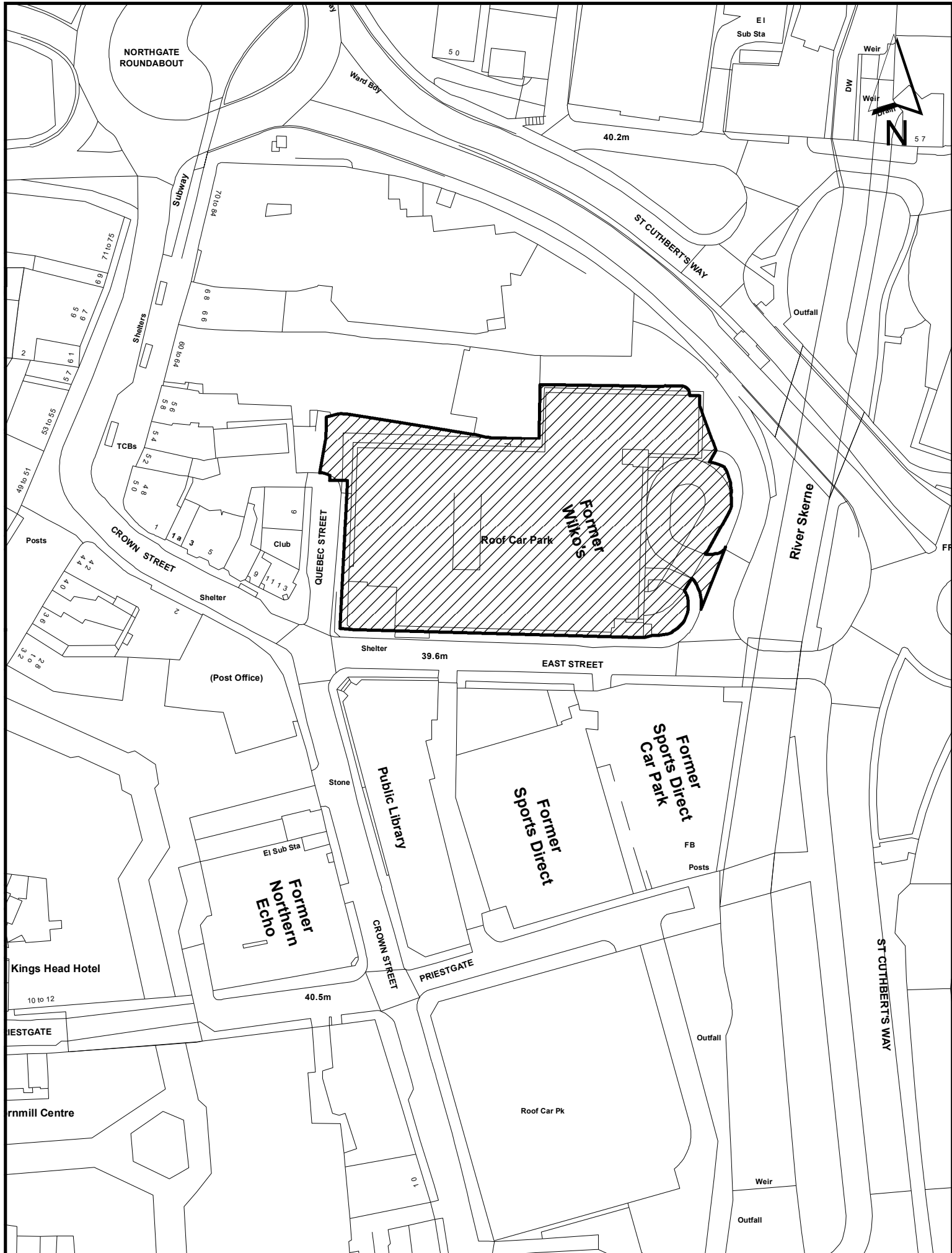
68. All subsequent procurement activity will be via a compliant process, in line with the Public Contracts Regulations 2015 and the Councils Contract Procedure Rules, with an option being an award via the Pagabo Developer Led Framework.



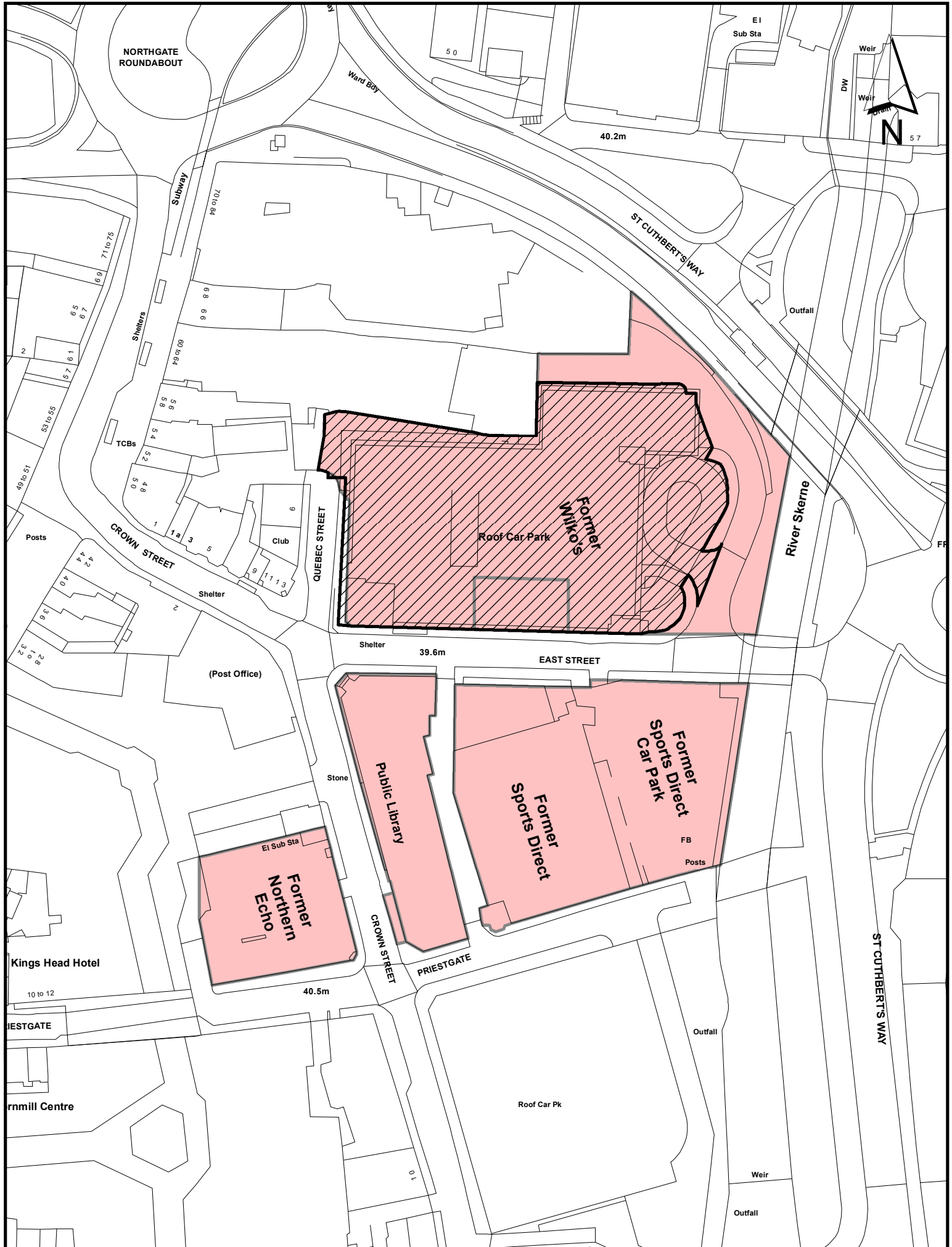
|  |                |                                 |  |        |          |       |
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| DARLINGTON BOROUGH COUNCIL<br>ECONOMIC GROWTH GROUP<br>ESTATES & PROPERTY,<br>TOWN HALL, FEETHAMS,<br>DARLINGTON,<br>Co. DURHAM, DL1 5QT | Project Title: | DARLINGTON BOROUGH COUNCIL      |  | Scale: | 1 : 1750 | Ref:  |
|  | Drawing Title: | APPENDIX 1 – STRATEGIC PLANNING |  | Date:  | 23/01/24 | Area: |
|  |                | SITES                           |  | Drawn: | RMH      |       |

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of the Local Government Act 1972.

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CABINET  
11 JUNE 2024

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## SCHEDULE OF TRANSACTIONS

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Responsible Cabinet Member – Councillor Mandy Porter  
Resources Portfolio

Responsible Director – Ian Williams  
Chief Executive

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## SUMMARY REPORT

### Purpose of the Report

1. To consider and to seek approval of the terms negotiated in respect of the Schedule of Transactions as set out below.

| TRANSACTION   | PURPOSE OF TRANSACTION   | MINUTE REF          |
|---|--|---------------------|
| <u>Acquisitions</u><br>18-26 Neasham Road<br>(freehold car park). | Compensation payment following vesting of property in the Council under the Darlington Station Gateway Compulsory Purchase Order | C103(2)(e)/Feb 2020 |
| <u>Leases</u><br>11/12 Horsemarket                                | Surrender payment by existing tenant to terminate lease early.   |                     |
| 11/12 Horsemarket   | Grant of commercial lease.   |                     |
| Harrowgate Hill<br>Primary School                                 | Conversion to Academy – grant of standard Academies Act lease.   |                     |
| Whinfield Primary<br>School                                       | Conversion to Academy – grant of standard Academies Act lease.   |                     |

### Summary

2. It is necessary for Cabinet to approve terms negotiated by the officers within the Chief Executive and Economic Growth Group on behalf of the Council to enable contractually binding contracts to be completed. The Part III **Appendix 1** details the terms negotiated for consideration and approval.

### Recommendation

3. It is recommended that the schedule (Appendix 1) be approved, and the transactions completed on the terms and conditions detailed therein.

## Reasons

4. Terms negotiated require approval by Cabinet before binding itself contractually to a transaction.

**Ian Williams**  
**Chief Executive**

## Background Papers

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

Guy Metcalfe : Extension 6725

|  |  |
|--|--|
| S17 Crime and Disorder                           | This report has no implications for Crime & Disorder   |
| Health and Wellbeing                             | There are no issues relating to Health & Wellbeing which this report needs to address  |
| Carbon Impact and Climate Change                 | There are no impacts   |
| Diversity  | There are no issues relating to Diversity which this report needs to address   |
| Wards Affected                                   | The impact of the report on any individual Ward is considered to be minimal  |
| Groups Affected                                  | The impact of the report on any Group is considered to be minimal  |
| Budget and Policy Framework                      | This report 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   |
| Council Plan                                     | Growing the local Economy, encouraging new investment in the Borough and maximising employment opportunities   |
| Efficiency                                       | The terms set out in the Schedule of Transactions appended to this report are considered to be in the Council's best interest and ensure the Council's business is conducted efficiently |
| Impact on Looked After Children and Care Leavers | There are no issues in relation to Looked After Children and Care Leavers  |

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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