

**CABINET
5 OCTOBER 2021**

**LAND AT FAVERDALE – FORMER ST MODWEN LAND
DEVELOPMENT STRATEGY**

Responsible Cabinet Member – Councillor Alan Marshall, Economy Portfolio

Responsible Director – Ian Williams, Chief Executive

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to obtain approval to seek Expressions of Interest for a preferred developer for the 29.95 Ha (74 acres) of land shown hatched on the plan at **Appendix 1** to the east of Faverdale East Business Park (FEBP), for employment use. A report will be submitted back to Cabinet with recommendations once expressions of interest have been received and analysed.

Summary

2. The land is in the ownership of the Council and is allocated for employment uses. The Council owns land at FEBP which is considered suitable to provide two potential access points to the site. It also adjoins the Burtree Garden Village site to the North.
3. It is proposed that the Council will seek Expressions of Interest with a view to selecting a Preferred Developer. Scheme proposals will be requested together with indicative land values. Options for the proposals will include plans for the Council to retain circa 18 acres to satisfy potential enquiries from businesses looking to develop in Darlington, so that turn-key sites are available.

Recommendations

4. It is recommended that:
 - (a) Cabinet agrees to the marketing of the land to seek Expressions of Interest.
 - (b) Delegated Authority is given to the Chief Executive to negotiate provisional disposal terms with the final terms being reported to a future meeting of Cabinet.

Reasons

5. The recommendations are supported by the following reasons:
- (a) To promote new development and Economic Growth.
 - (b) To facilitate future expansion of FEBP and ensure the availability of development land for employment related uses.

Ian Williams
Chief Executive

Background Papers

No background papers were used in the preparation of this report

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S17 Crime and Disorder	The report has no implications for crime and disorder
Health and Well Being	The report has no implications for health and well being
Carbon Impact and Climate Change	There is potential for any new Building to be easily accessible by sustainable transport modes which will help ensure the carbon footprint of the development is acceptable.
Diversity	No implications
Wards Affected	Brinkburn and Faverdale
Groups Affected	All
Budget and Policy Framework	The resolutions in this report will not make changes to the Budget and Policy framework.
Key Decision	No
Urgent Decision	No
Council Plan	Supports the Council Plan by bringing jobs potentially to Darlington, and facilitating development
Efficiency	The workload resulting from the recommendations in this report assumes resources at existing levels.

MAIN REPORT

Information and Analysis

6. The Council acquired 74 acres of land to the east of FEBP in 2020 from St Modwen, shown hatched on the plan at Appendix 1 (min C125/Mar/2020 refers). The land is bounded by the Honeypot Lane travellers' site to the south, the Bishop Auckland Branch railway line to the east and Argos and the proposed Burtree Garden Village site to the north and comprises some 50 acres or so of agricultural/grazing land with the remainder being the remaining floor slab of the former Rolling Stock works surrounded by scrub covered embankments.
7. The site is the subject of a planning approval for B1(c), B2 and B8 uses, subject to a Section 106 Agreement and planning conditions. This was obtained by St Modwen in anticipation of trying to secure a development for Amazon however once Amazon went to their current site on the eastern side of town the Section 106 Agreement process was not completed and the planning permission has not been issued.
8. It is considered that bio-diversity issues could prevent development on part of the site although potential developers will need to take a view on whether the cost of remediation and mitigation would be outweighed by potential development value, however it is envisaged that as a minimum circa 50 acres of land would be "green field" and suitable for development for employment use, subject to planning permission.
9. Since 2014 the Council has sold plots of land on the adjacent Faverdale East Business Park to: Davies Transport, Subsea Innovation, JTM Plumbing Supplies and Allinson Transport, all for their own businesses due to outgrowing existing premises in Darlington. Currently the Council is in discussion with 3 further prospective purchasers for approximately 7 acres of land after which we will only have one serviced site remaining, part of which will be required for an access to the St Modwen Land.
10. The Business Growth and Investment Team receive regular enquiries for development land for owner occupation and since the start of 2021 have received 5 substantive enquiries for land for business re-location/development in the Faverdale area. In all cases, close proximity to the A1(M) was cited as a key requirement, alongside close proximity to key customers, eg Aldi and Lidl Regional Distribution Centres. Until we can make more serviced sites available these enquiries will need to be directed elsewhere.
11. It is proposed that the site is marketed, and Expressions of Interest requested on the following basis:
 - (a) The preferred developer provides a Masterplan option to fund and open the site with strategic infrastructure and services ready for development by the developer.
 - (b) The preferred developer would fund and undertake all surveys and preliminary development work. It is envisaged a period of exclusivity would be required.
 - (c) The preferred developer would provide a Development Appraisal showing the costs and gross residual land value/capital receipt.

- (d) In lieu of the above works and upon completion of the strategic infrastructure and services, the developer is granted an area of land to bring forward for development, on terms to be agreed.
 - (e) The developer would identify circa 18 acres of land to be retained by the Council, ready to bring forward for development by interested parties, on the basis that the developer had provided strategic infrastructure.
12. Once a preferred developer has been provisionally identified, a report will be submitted back to Cabinet for consideration of any options and terms.

Legal Implications

13. As this proposal concerns the sale 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.

Planning Comment

14. The site in question is allocated for employment related uses subject to the grant of detailed planning permission.

Finance Comment

15. The acquisition of land was forwarded funded from the Capital Investment Fund and was to be repaid from future capital receipts. The actual value of capital receipts will not be known until after submission of developer expressions of interest.