

CABINET
11 OCTOBER 2022

INGENIUM PARC - PROPOSED DEVELOPMENT UPDATE

Responsible Cabinet Member -
Councillor Alan Marshall, Economy Portfolio
Councillor Scott Durham, Resources Portfolio

Responsible Director -
Ian Williams, Chief Executive

SUMMARY REPORT

Purpose of the Report

1. To seek approval for the sale of approximately 11.28 acres (4.56 Ha) of land at Ingenium Parc, Darlington shown hatched on the attached plan at **Appendix A**, subject to the grant of planning permission for development.

Summary

2. The Council owns land at Ingenium Parc which is available for inward investment/industrial development subject to enabling infrastructure to open up the site.
3. An enquiry has now been received from a developer with an occupier identified to acquire a site and as part of their proposals they have indicated, that subject to planning they will build a road to access their site that will in turn open up more of the Council's land.
4. The development of the site would generate circa 220 jobs and will boost the economic growth and business profile of the borough.
5. The disposal will generate a modest capital receipt because the cost of the access road and associated infrastructure is significant and will need to be offset against the value of the land.
6. It should be noted that the enabling infrastructure referred to above has a requirement for the Council to repay to Tees Valley Combined Authority 34% of capital receipts received from disposals of land at Ingenium Parc up to a maximum of £1.6m.
7. Terms have been provisionally agreed with the developer for a sale of 11.28 acres (4.56 Ha) and together with the identity of the occupier are detailed in **Appendix B Part III**.

Recommendations

8. It is recommended that:-
- (a) The sale of approx. 11.28 acres (4.56Ha) of land at Ingenium Parc be approved on the terms set out in Appendix B Part III of this report, and;
 - (b) The Assistant Director of Economic Growth be authorised in consultation with the Resources Portfolio Holder to agree terms in line with those in Appendix B Part III and the Assistant Director for Law and Governance be authorised to document the sale of the property accordingly and associated matters.
 - (c) TVCA’s interest in the site be noted and the Assistant Director of Economic Growth be authorised to reimburse their portion of any receipt, accordingly.

Reasons

9. The recommendations are supported by the following reasons:-
- (a) To achieve development of further plots and new income through business rates
 - (b) To assist business development and job creation in Darlington.

Ian Williams
Chief Executive

Background Papers

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

Jenny Dixon: Extension 6320

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	Eastbourne ; Sadberge and Middleton St George ; Hurworth
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

10. The Council-owned land amounts to circa 16.40 Ha (40.51 acres) as shown cross hatched on the plan at Appendix A. It is a key employment site and located within Darlington's Eastern Urban Fringe. It is accessed from Salters Lane to the south of the existing Cummins factory off Yarm Road.
11. Enabling infrastructure to unlock the land in the form of extending Salters Lane South beyond Cummins has been provided through funding from Tees Valley Combined Authority (TVCA) and the Council is now looking for developer(s) with a view to attracting manufacturing and industrial units and to provide infrastructure and services so that the wider site is development ready in the future.
12. It should be noted that the enabling infrastructure referred to above funded by TVCA has a requirement for the Council to repay 34% of capital receipts received from disposals of land at Ingenium Parc up to a maximum of £1.6m. TVCA are aware of this proposed developer interest and are supportive of the investment and employment opportunities it will bring to the Tees Valley.
13. These proposals will increase the supply of employment opportunities within Darlington and will be an excellent addition to support Darlington's growing economy.
14. At the meeting of Cabinet on 5 July 2022, Cabinet agreed to dispose of plots on a direct sale basis or through Expressions of Interest. Developer interest has now been received to develop a site of circa 11.28 acres (4.56 Ha).
15. Terms are being negotiated and are detailed in Appendix B Part III to this report.

Valuation Comment

16. It is considered that the provisionally agreed purchase price represents the best consideration available in line with the provisions of S.123 of the Local Government Act 1972.

Planning Comment

17. Planning permission will be required for the proposed development. A planning application will be assessed in the context of local and national planning policies although the principle of the proposals in this location is acceptable.

Financial Implications

18. The sale of this land will achieve financial benefits for the Council, including enabling infrastructure and new income through business rates. There will be a capital receipt, but this will be modest due to the purchaser providing the road and the requirement to pay an element to TVCA in line with paragraphs 11 and 12 above.

Legal Implications

19. The Council has the power to sell land pursuant to s 123 Local Government Act 1972 and the proposed sale complies with the requirements of that Act as a sale for full value.
20. The Assistant Director, Law and Governance, will be required to document the sale of the property and deal with any issues arising from the legal process.

Consultation

21. External consultation will take place as part of the normal planning process. Internal consultation has raised no objections to the proposed sale.