

**CABINET
6 DECEMBER 2022**

**LAND ASSEMBLY FOR DEVELOPMENT OF GLADSTONE STREET / KENDREW STREET
INCLUDING NORTHGATE HOUSE DARLINGTON**

**Responsible Cabinet Member -
Councillor Scott Durham, Resources Portfolio**

Responsible Director – Ian Williams, Chief Executive

SUMMARY REPORT

Purpose of the Report

1. To gain Cabinet approval to commence the land assembly for the development of a mixed-use residential and commercial site in the area highlighted in **Appendix 1** through negotiated acquisitions with current landowners and the commencement of a Compulsory Purchase Order where a negotiated position cannot be achieved. The outcome of these negotiations will be reported back to Cabinet for consideration.
2. To approve the use of funding from Darlington's Town Fund Programme for officers to undertake preliminary surveys and to seek outline planning permission for the proposal.

Summary

3. In accordance with the Town Centre Strategy and Darlington's Town Fund Programme the development of residential properties within and adjacent to the town centre is a clear priority to revitalise the town centre by addressing derelict buildings and vacant land.
4. To date there are several notable successes in the delivery of this ambition. The former sport direct site has been acquired and the redundant building on the site 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 office space on the upper floors.
5. The site highlighted in Appendix 1 includes Kendrew Street car park which is within Council ownership and several privately owned buildings. The area also includes Northgate House which has been empty for several years. Officers have been negotiating with the owners for the Council to acquire the building based on independent valuations, however these negotiations have been unsuccessful.
6. Commencement of the Town Fund Programme has enabled officers to commission some early design work, which considers possible development options for the area, which is detailed in **Appendix 2**. The options consider the creation of residential and mixed-use development with the inclusion of green spaces and active travel options. It is stressed

that these are very early designs and merely indicative of what could be achieved. The design will continue to be developed resulting in a comprehensive design solution for the project area.

Recommendations

7. It is recommended that: -
- (a) Members approve that officer commence land assembly for the development of a mixed-use residential and commercial site in the area highlighted in Appendix 1.
 - (b) Members note that detailed design for the scheme will continue, producing a comprehensive preferred scheme.
 - (c) Members approve the negotiated acquisitions of properties from current landowners with the Chief Executive Officer being authorised to negotiate full terms in consultation with the Cabinet member for the resources portfolio and with the terms being reported subsequently on the Schedule of Transactions.
 - (d) Members authorise officers to prepare a draft Compulsory Purchase Order and schedule of interests to be acquired for the acquisition of any properties which cannot be acquired by agreement.
 - (e) Members authorise the Assistant Director of Economic Growth and Assistant Director Law and Governance to deal with any related matters and associated documents accordingly.

Reasons

8. The recommendations are supported by the following reason: Accelerates the building of new homes and the revitalisation of the town centre.

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 | This report has no implications for crime and disorder |
| Health and Well Being | There are no Health and Well Being Issues |
| Carbon Impact and Climate Change | There are no sustainability issues |
| Diversity | There are no diversity issues |
| Wards Affected | Northgate |
| Groups Affected | Not Applicable |
| Budget and Policy Framework | This report does not represent a change to the budget and policy framework |
| Key Decision | This is not a key decision |
| Urgent Decision | This is not an urgent decision |
| Council Plan | Growing Darlington's Economy by delivering more homes |
| Efficiency | An investment return from the housing development will help the Council's MTFP position. |
| Impact on Looked After Children and Care Leavers | This report does not impact on Looked After Children or Care Leavers. |

MAIN REPORT

Information and Analysis

9. 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.

10. 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.

11. Members will recall in 2019 Cabinet approved the development of several proposals that aimed to encourage the delivery of key strategic sites in Darlington Town Centre. The sites identified in the report included the Northgate area incorporating Northgate House.

12. This proposed intervention was further detailed in the Council's Town Fund submission in 2020 which aims is to drive the sustainable economic regeneration of towns and to deliver long term economic and productivity growth through:
 - (a) Increasing density in town centres

 - (b) Strengthening local economic assets including local cultural assets

- (c) Site acquisition, preparation, remediation, and/or development; and
 - (d) Making full use of planning tools to bring strategic direction and change
13. Since the commencement of the Town Fund Programme officers have commissioned early design work on the possible development options for the area this is detailed in Appendix 2. **Members are asked to note that this design will continue to be developed and presented for agreement in 2023.**
 14. The area highlighted in Appendix 1 includes Council owned land and privately owned buildings. One area of particular interest is Northgate House, a multi-story office block which has been unoccupied for over 10 years. Located in a pivotal and prominent position adjacent to the town centre, at the southern entrance to the North Road Gateway. Acquiring the site and potentially working in partnership with private sector developers will transform this abandoned area of town. The creation of residential and mixed-use development with the inclusion of green spaces and easy transport options.
 15. Officers have been negotiating with the owners for the Council to acquire the building based on independent valuations, however these negotiations have been unsuccessful. It is recommended that negotiations continue with the threat of compulsory purchase powers in the background but that members authorise officers to start background work to pull together a draft Compulsory Purchase Order and schedule of interests to be acquired which will be presented to Cabinet for approval.

Financial Implications

16. Acquisition and site development costs will be funded through the Towns Fund allocation.

Legal Implications

17. Under the provisions of the Local Government Act 1999 the Council is subject to a general duty to obtain 'best value' in the exercise of its functions.

Procurement Advice

18. The works commissioned to assemble the site detailed in Appendix 1, will be in accordance with the Council's procurement policy and procedures.