

**CABINET**  
**13 JUNE 2023**

---

**INGENIUM PARC - PROPOSED DISPOSAL OF PLOT 1**

---

**Responsible Cabinet Member -  
Councillor Chris McEwan, Economy Portfolio  
Councillor Mandy Porter, Resources Portfolio**

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

---

**SUMMARY REPORT**

**Purpose of the Report**

1. To seek approval for the disposal of approximately 3.24 hectares (8 acres) of land at Ingenium Parc by way of a long lease, as shown hatched on the attached plan at **Appendix A**, subject to the grant of planning permission for the development of a distribution centre of approximately 59,250 sqm (circa 638,000 sqft).

**Summary**

2. On 11 October 2022, Cabinet approved a proposal to dispose of 4.56 hectares (11.28 acres) at Ingenium Parc with associated infrastructure. An exclusivity agreement was subsequently entered into with that developer. This proposal has now fallen away, and the exclusivity agreement has been terminated.
3. A new proposal has been received from a different developer to purchase 3.24 hectares (8 acres) of land by way of a long lease, for the construction of a 59,250 sqm (circa 638,000 sqft) distribution centre. The developer has an identified end user, and on completion of the building, the leasehold interest will be sold to the occupier; a company that will initially support up to 215 jobs with scope for increases in future and has sustainability as a key priority.
4. The developer will install an access road to adoptable standards on land owned by the Council shown shaded grey on the plan at Appendix A, the cost of construction is included in the purchase price.
5. The disposal will generate a capital receipt.
6. Terms have been provisionally agreed with the proposed developer, please refer to **Appendix B Part III** for details.

## Recommendations

7. It is recommended that:-
- (a) The disposal of approx. 3.24 hectares (8 acres) of land at Ingenium Parc by way of a long lease 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 respective Portfolios Holders 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

8. The recommendations are supported by the following reasons:-
- (a) To achieve development of Plot 1 and generate new income through business rates
  - (b) To assist business development and job creation in Darlington

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

## Background Papers

Cabinet Report 11 October 2022: Ingenium Parc – Proposed Development Update

Sarah Wayman

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 Ward
Groups Affected	All Groups affected
Budget and Policy Framework	The resolutions in this report will not make changes to the Budget and Policy framework.
Key Decision	This is a not a key decision.
Urgent Decision	This is not an urgent decision.
Council Plan	Supports the Council Plan by bringing jobs 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

9. Ingenium Parc comprises over 40 acres of Council owned industrial development land at Salter's Lane South situated to the rear of the Cummins factory. The development of this key employment site will directly contribute to the Council's priority strategic objective of economic development by way of job creation and Business Rates generation.
10. Infrastructure works to enable the site's development, including the extension of Salter's Lane South, associated utilities works and sustainable drainage work are almost complete. Additional infrastructure will be required within the site to enable each development plot to be fully serviced.
11. On 5 July 2022, Cabinet agreed to dispose of plots at Ingenium Parc on a direct sale basis or through Expressions of Interest.
12. On 11 October 2022, Cabinet agreed to dispose of 4.56 hectares (11.28 acres) for industrial development and associated infrastructure following an enquiry from a developer. An exclusivity agreement was subsequently entered into with that developer. This proposal has now fallen away, and the exclusivity agreement has been terminated.
13. A new proposal has been received from a different developer to purchase Plot 1 which comprises 3.24 hectares (8 acres) of land by way of a long lease, for the construction of a 59,250 sqm (circa 638,000 sqft) distribution centre and access road.
14. The proposed road will allow access from Salter's Lane into the subject plot and crucially, provide a stub end for later extension further into the site, opening up land to the east for disposal and future development. The road will be constructed to an adoptable standard and will remain within the ownership of the Council. The cost of constructing the road has been accounted for in the purchase price. The road is shown shaded grey on the plan at Appendix A.
15. The developer has an identified end user, and on completion of the building, the leasehold interest will be sold to that occupier who is relocating to Darlington from elsewhere in the North East. The development and occupation by the identified company will initially support 215 jobs (some may be relocations) with scope for increases in future. The occupying company aims to be an industry leader in sustainability, the building will be rated BREEAM Very Good and will include environmentally friendly design features.
16. The developer has a proven track record of delivering the same product elsewhere for the same occupier having just completed one elsewhere in the North of England in 2022. It is proposed that the development will be completed and operational by Q1 2025.
17. Terms are being negotiated and are summarised at Appendix B Part III to this report.

### **Valuation Comment**

18. 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**

19. 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**

20. The sale of this land will achieve financial benefits for the Council, including a capital receipt, which is inclusive of the cost of the access road, and new income from business rates.

### **Legal Implications**

21. 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.
22. 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.

### **Procurement Implications**

23. The land sale is in line with the Public Contracts Regulations 2015.

### **Consultation**

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