
EASTERN GROWTH ZONE INFRASTRUCTURE IMPROVEMENTS

**Responsible Cabinet Member - Councillor Nick Wallis, Leisure and Local
Environment Portfolio**

Councillor Chris McEwan, Economy and Regeneration Portfolio

**Responsible Director – Ian Williams, Director of Economic Growth and
Neighbourhood Services**

SUMMARY REPORT

Purpose of the Report

1. To provide a funding contribution from the Economic Growth Investment Fund (EGIF) towards the delivery of a strategic access road between Yarm Road and Tornado Way, that will compliment planned highway infrastructure investment to deliver wider transport and economic benefits to the surrounding area.

Summary

2. The Eastern Growth Zone comprises of some of Darlington's key existing and future employment sites. To accelerate sustainable, managed and planned economic growth in this area feasibility work has been undertaken on a range of highway infrastructure requirements to help facilitate growth. This resulted in a successful bid to the Department for Transport's (DfT) National Productivity Investment Fund (NPIF) securing almost £5m funding from the DfT, Tees Valley Combined Authority and the Council's Local Transport funding that will enable highway improvements at key locations.
3. The feasibility work identified that a strategic road link between Yarm Road and Tornado Way would complement planned investment and be beneficial to the wider transport network, existing business and for attracting new business opportunities.
4. In the master planning and development of the infrastructure requirements for Symmetry Park the Council has worked in partnership with the developer to consider options to create this strategic link rather than a single point of access.
5. The Council has an Economic Growth Investment Fund (EGIF) aimed at pump-priming and providing funding contributions that stimulates economic development and creates the right conditions for growth. It is proposed that a financial contribution of £500k is made towards the delivery of the strategic link road that has wider transport and economic benefits for the public.

Recommendation

6. It is recommended that Cabinet :-

- (a) Note the associated planned infrastructure investment detailed in this report for the delivery of wider transport and economic benefits.
- (b) Approve and release £500k from the Economic Growth Investment Fund to contribute towards the delivery of the strategic link road between Yarm Road and Tornado Way.

Reasons

7. To compliment planned infrastructure investment and deliver wider transport and economic benefits.

Ian Williams
Director of Economic Growth and Neighbourhood Services

Background Papers

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

DW : Extension 6618
LC

S17 Crime and Disorder	There are no direct implications.
Health and Well Being	The Strategic Road link will be designed to incorporate sustainable transport modes and safety audits will be undertaken on the design.
Carbon Impact	The proposed strategic link road will provide wider transport benefits that may manage congestion and help manage carbon impact.
Diversity	There are no direct implications.
Wards Affected	The road link is on the boundary of the Red Hall and Linfield Ward and the Sadberge and Middleton St George Ward but the road will provide benefits for residents and business in other wards.
Groups Affected	There are no specific groups adversely affected.
Budget and Policy Framework	This decision does not present a change to the budget and policy framework.
Key Decision	This is a key decision
Urgent Decision	This is an urgent decision
One Darlington: Perfectly Placed	The recommendation will help to achieve the Perfectly Placed priority by improving the highway infrastructure and support a Place designed to thrive.
Efficiency	The strategic road link will help manage the efficiency of the highway network.

MAIN REPORT

Information and Analysis

8. The Eastern Growth Zone comprises of some of Darlington's key employment sites of Yarm Road Industrial Estate and Business Park, Morton Palms Business Park, Morton Park Way Business Park, Lingfield Point, Symmetry Park and the Aero Centre. Investment in the zone is key to deliver Darlington's ambitions for sustainable economic growth over the period 2017 to 2021 and beyond.
9. The area offers a high quality commercial and industrial property solution for a wide range of existing business and potential occupiers wanting to benefit from excellent transport connectivity.
10. To accelerate sustainable, managed and planned economic growth in this area feasibility work has been undertaken on highway infrastructure requirements to help facilitate that growth around the zone.
11. Through the Department for Transport's (DFT) National Productivity Investment Fund (NPIF) the Council has secured £3.374m to provide highways improvements that will support Darlington's growing economy. The total investment is almost £5m with £1.258m being provided by Tees Valley Combined Authority and £0.302m from the Council's Local Transport funding. This investment is targeted at specific improvements on the highway network at the following locations:
 - (a) McMullen Road/Yarm Road roundabout
 - (b) Lingfield Way/Yarm Road junction
 - (c) Tornado Way/Haughton Road throughabout
12. In addition the feasibility identified two further schemes that would be beneficial to the wider transport network, existing business and for attracting new business opportunities.
 - (a) A strategic link road between Yarm Road and Tornado Way
 - (b) Improvements to Morton Palms Roundabout on the A66
13. The partner and stakeholder engagement in developing this area wide approach has resulted in letters of support from the following who all recognise the importance of these improvements for their business:
 - (a) Highways England
 - (b) Nobia (Magnet)
 - (c) DB Symmetry
 - (d) PD Ports
 - (e) Darlington EE (BT)
 - (f) Teesside University
 - (g) Disclosure and Baring Service
 - (h) Arriva North East – Public Transport Operator
 - (i) Business Central Darlington
 - (j) Darlington College

- (k) CPI Biologics
- (l) Bellway Homes
- (m) Story Home
- (n) Keepmoat

14. The scheme at Morton Palms Roundabout on the A66 is now in development by Highways England and this will be delivered in the next year at a cost of around £500k.
15. The strategic link road was not included in the NPIF bid as deliverability was not in the control of the Council at the time as the land required was in private ownership and the DFT bid requirements required certainty of delivery.
16. Symmetry Park is within the Eastern Growth Zone and has approval to be served from a single point of access from Tornado Way. The feasibility work undertaken by the Council identifies the creation of a strategic link from Tornado Way to Yarm Road has wider transport benefits for existing business and provides opportunity for further sustainable growth in the wider area.
17. In the master planning and development of the infrastructure requirements for Symmetry Park the Council has worked in partnership with the developer to consider options to create a strategic link open to the public rather than a single point of access.
18. The delivery of an adopted strategic link road open to the public will enable the full potential of the area wide solution to be realised. The assessment undertaken shows that over the next 10 years the full package of infrastructure improvements have the potential of unlocking up to 4,300 jobs, £17.5m GVA and 2,600 homes. This Economic Assessment undertaken by Consultants Systra shows an exceptional BCR of 15.3 and strong economic case.
19. The proposed contribution of £500k from the Council towards the strategic link road is considered a relatively small contribution when compared to the public benefits outlined above and the estimated construction cost of the road that exceeds £2.5m (excluding land costs and drainage solution costs) that will be borne by the developer of Symmetry Park.

Financial Implications

20. Cabinet approved the creation of an Economic Growth Investment Fund (EGIF) in May 2017 to be used for pump-priming and providing funding contributions that stimulates economic development and creates the right conditions for growth.
21. It is proposed that in addition to the acquisition of a small parcel of land previously approved by Cabinet a financial contribution of £500k is made towards the delivery of the strategic link road from the Economic Growth Investment Fund.

Legal Implications

22. The Council has the relevant powers to enter into the land contribution agreement under the Localism Act 2011 which includes a 'general power of competence' including the power to invest in infrastructure to support regeneration to accelerate sustainable, managed and planned economic growth.
23. The Council contribution will be documented in a formal agreement to ensure the Council contribution will only be made subject to the completed strategic road link improvements having been completed to adoptable standard and the benefit of the improvements to the transport network provided by the additional strategic link road exceed the amount of the contribution proposed.
24. Legal advice is that the contribution does not represent a state aid (since the benefit outweighs the contribution proposed) but in any event as the improvements will be maintained in the long term for public benefit and as the total cost of the required development is in excess of £2m the Council contribution is allowable within the approved intervention rate pursuant to s 107(3)(c) of the General Block Exemption Regulations to support infrastructure improvements in favour of new economic activities.

Procurement Advice

25. The improved infrastructure provided by the strategic link road can only be delivered by the developer who has control of the site and is compliant with the requirements of the Public Contracts Regulations 2015.