

**CABINET
9 JULY 2019**

DISPOSAL OF LAND AT FAVERDALE EAST BUSINESS PARK

**Responsible Cabinet Member – Councillor Charles Johnson
Efficiency and Resources Portfolio**

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

SUMMARY REPORT

Purpose of the Report

1. To seek approval for the sale of approximately 2.525 acres of land at Faverdale East Business Park, Darlington shown hatched on **Appendix A**, subject to the grant of planning permission for development.

Summary

2. The Council owns land at Faverdale East Business Park which is available for inward investment/industrial development and has already sold a number of plots over the last few years.
3. An enquiry has now been received from Allinson Transport who own a warehouse and yard on Faverdale North immediately to the south of the Council's land. Allinson want to provide extra space for parking and manoeuvring of company vehicles and to develop another warehouse building on their existing site.
4. Terms have been provisionally agreed for a leasehold sale of 2.525 acres and are detailed in **Appendix B Part III**.

Recommendations

5. It is recommended that:-
 - (a) The leasehold sale of 2.525 acres of land at Faverdale East Business Park be approved on the terms set out in appendix B Part III of this report, and;
 - (b) The Assistant Director for Law and Governance be authorised to document the sale of the property accordingly.

Reasons

6. The recommendations are supported by the following reasons:-
 - (a) To achieve a capital receipt for the Council, and;

- (b) To assist business development and job creation in Darlington.

Ian Williams
Director of Economic Growth and Neighbourhood Services

Background Papers

No background papers were used in the preparation of this report

Richard Adamson : Extension 6318

bs

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	There are no sustainability issues
Diversity	There are no diversity issues
Wards Affected	Brinkburn and Faverdale
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
One Darlington: Perfectly Placed	There are no issues adversely affecting the Community Strategy
Efficiency	A capital receipt will help the Council's budget.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

7. The Council brought forward land at Faverdale with some grant/loan funding from HCA, now Homes England, to create Faverdale East Business Park, a site available for inward investment/industrial development and some of this has already been sold to facilitate new developments for Davies Transport, Subsea Innovation, and JTM Plumbing.
8. The Council now has an enquiry from Allinson Transport who currently own a large haulage depot, offices and warehouse fronting on to Faverdale North, immediately to the south of FEBP. Allinson require more parking and another warehouse to cope with increased business and they propose to do this by building a new warehouse unit on their existing site and creating a parking and manoeuvring area for haulage vehicles on the site they wish to acquire from the Council.
9. Allinson Transport, a family-run company that has been established in Darlington for over 60 years, is a logistics company that now has a number of depots and a fleet of 120 vehicles, 250 trailers and 250,000sqft of warehousing and facilities across the country.

10. In informal negotiations Allinson have agreed, subject to the grant of planning permission, to acquire a 150 year leasehold interest in the 2.525 acre plot, shown hatched on Appendix A on the terms set out in Appendix B Part III of this report.

Valuation Comment

11. It is considered that the provisionally agreed purchase price represents the best consideration available for a disposal of the long leasehold interest in line with the provisions of S.123 of the Local Government Act 1972.

Planning Comment

12. Planning permission will be required for Allinson's proposed development. A planning application will be assessed in the context of local and national planning policies although the principle of warehouse and distribution use in this location is acceptable in principle.

Financial Implications

13. The sale of this property will achieve a capital receipt for the Council.

Legal Implications

14. 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.
15. 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

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