

## Cabinet

21 October 2015



## Auckland Castle Update

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### Report of Corporate Management Team

**Ian Thompson, Corporate Director Regeneration and Economic Development**

**Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration**

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### Purpose of the Report

1. To provide an update to the previous report to Cabinet on 5 September 2013, which considers the breadth of activity being undertaken by the Auckland Castle Trust (the Trust) in delivering the development of Auckland Castle as a major heritage attraction to strengthen the County's visitor economy and the way the Council is supporting the delivery of the various projects.

### Background

2. Auckland Castle was the favoured residence of the Bishops of Durham for at least 800 years. In 2012, the ownership of the Castle and Park transferred to the Trust, a charitable company limited by guarantee. The Trust was established by the philanthropist Jonathan Ruffer.
3. The Chief Executive of the Trust is supported by a dedicated team of 53 staff that deliver the ambitions of the Trust. ACT is governed by a number of Trustees. The Trust is in the process of recruiting 3 further trustees to replace those who have recently retired. Current Trustees are:
  - Jonathan Ruffer;
  - Dr Robert McManners;
  - Lady Sarah Riddell;
  - Lady Sarah Nicholson;
  - John McDonnell QC;
4. The Trust's wider vision is *'to develop Bishop Auckland as a vibrant destination for local people and visitors alike, with Auckland Castle at its heart'*. To meet this vision the Trust has set forward three objectives:

Heritage Development: To develop Auckland Castle as a heritage and tourist attraction that is 'loved locally, visited nationally and known internationally';

Commercial Development: To create commercially viable businesses within the Auckland Castle Trust which will fund the development and on-going sustainability of the heritage attraction; and,

Community Development: To create enterprise, training and wealth within the Bishop Auckland area and wider region, both as a Trust and in partnership with others.

5. The focus is primarily on heritage development. By a skilful and sensitive re-integration of Castle, Park and Town the ambition for Auckland Castle is to:
  - a) Establish an international-quality national exhibition of religion in Britain;
  - b) Pursue and establish relationships with the leading national institutions in the UK and further afield;
  - c) To act as a catalyst for the wider regeneration of Bishop Auckland;
  - d) Tell the unique and intriguing story of the Prince-Bishops and Auckland Castle to a wider audience.
6. Professor Diarmaid MacCulloch, Professor of the History of the Church in the University of Oxford and Fellow of St Cross College, Oxford, has described Auckland Castle as the most important working Episcopal complex in Europe outside Avignon and the Vatican.
7. There are a number of different projects being pursued by the Trust and the Council is working in partnership in the delivery of each of these. The projects are described in the paragraphs below. The majority have recently obtained approval. Overall, it is estimated by the Trust that these schemes will cost £93M to be delivered and will create:
  - 200 FTE jobs and 500+ indirect jobs;
  - 300 training opportunities;
  - 800 volunteering opportunities.

### **Restoration of Castle and Scotland Wing**

8. The Grade I listed Castle is of great historical, religious and architectural significance. It was home to the Prince-Bishops of Durham for 800 years and was until recently the main Bishop's residence. Although no longer used as the official residence, the Castle is still used for ceremonial occasions and formal entertaining as well as home for the offices and staff of the Bishop's administration.
9. As part of the Trust's vision, the Castle complex will become a significant, heritage and tourist attraction. This restoration of the Castle will be complimented by an extension to the Scotland wing to provide space for permanent and changing displays. It will be the setting for the national exhibition of religion in Britain, telling the story of 'five thousand years of faith'. In addition to being a major regional attraction the Trust anticipate the restored Castle will attract national and international interest and forecast 200,000 visitors per annum will visit the Estate.
10. Following the success of securing an initial £1M grant from the Heritage Lottery Fund (HLF) in 2013, the Trust submitted their development plans in February in order to release a further £9M of lottery funding for the Castle and

Scotland Wing project. The Trust announced on 27<sup>th</sup> May that the funding bid was successful.

11. The Trust has appointed renowned design and conservation specialists Purcell Architects to develop proposals to restore the State Rooms and Chapel and remodel existing parts of the Scotland Wing. Alongside the restoration works, Niall McLaughlin Architects have designed a new extension of the Scotland Wing to house a gallery and exhibition space. The planning applications were given approval in April 2015.

### **The Walled Garden**

12. The historic development of the walled garden mirrors the evolution of both the Castle and the designed landscape, with various Bishops, including Trevor, Barrington and Van Mildert, having played an important role in its development. In more recent times, however the walled garden has served as a commercial nursery and is today in a disused and derelict state.
13. The Trust has appointed both SANAA Architects and Pip Morrison Landscape Architects to develop proposals to restore the kitchen garden. Initial concepts have been presented and the proposals include incorporating glazed 'bubble' structures for the greenhouses, restaurant and viewing platforms overlooking the gardens. It is also proposed to reinstate the original ground level within the walled enclosure and to restore the garden to cultivation with predominantly herbaceous and flowering plants in the northern half of the garden and vegetables and fruit concentrated in the southern area below the lateral wall. It is anticipated that the planning application for the Walled Garden will be submitted towards the end of 2015.

### **The Welcome Building and Viewing Platform**

14. In order to make the entrance to the Castle and Grounds more prominent Niall McLaughlin Architects have designed a new landmark structure. It will be located just outside the Castle walls on the corner of Kings Lodge. The structure consists of a 27 metre high skeleton framed viewing tower with steps wrapped around a central lift. Attached to the tower but at a lower level will be the similarly striking Welcome Building which will form the entrance to the fee paying attractions such as the Castle, new Scotland Wing Exhibition space and Kitchen Gardens. Throughout the design stage, the Council and English Heritage have worked closely with the Trust and the design consultants on the suitability of the proposals.
15. The location and orientation of the Welcome Building/Viewing Tower will involve reconfiguring the highway and improving the crossing points from the Castle's entrance to the Market Place. The Council continues to work with the Auckland Castle Trust on potential highway solutions to ensure the scheme is deliverable. The Council have also been instrumental in getting discussions underway between the Trust and the North East Local Enterprise Partnership

to assess whether infrastructure funding is available for the highway works associated with this scheme.

16. The planning application for the Tower and Welcome Building was approved in March 2015. In order for the project to start its construction, there is a need for a suitable solution to realign the highway. The Trust, supported by the Council, is exploring funding opportunities with the Local Enterprise Partnership.

#### **No. 10 Market Place**

17. No. 10 Market Place is located on the corner of Castle Chare at the entrance to the Market Place. This Grade II listed building has stood empty for several years. Once fully refurbished, it is intended that it will become office accommodation for the Trust's staff. The Council has liaised with the Trust's consultants during the pre-application stage. Applications for Planning and Listed Building consent have been approved and work on site commenced in June 2015.

#### **Backhouse Gallery (formerly Barclays Bank and neighbouring Barrington School)**

18. Following the acquisition of these two premises, the Trust proposes treating them as a single entity and converting them into a new Institute of Spanish Art and Culture. The Trust is looking to develop an international partnership for this Gallery which will enable it to borrow and display international pieces of art.
19. In addition to having access to international collections, the Trust are looking to work in partnership with Durham University and Bowes Museum which collectively means County Durham will hold the largest collection of Spanish masterpiece artwork outside Spain. The Gallery will be a new Institute for postgraduate study in Hispanic art. The Trust anticipates that the Institute will open in 2018.

#### **No. 42 Market Place**

20. The Trust acquired 42 Market Place earlier this year. This is an imposing building on a key juncture in the Market Place. Their project provides an opportunity for start-up retail businesses in Bishop Auckland to use space in the ground floor to test their business idea rather than immediately taking on a retail premises. After a period of time, these start-up businesses should be in a position to take on retail premises in the Town for their own business. This shop-share scheme is based on the Gentian project that the Council operated with Barnard Castle Vision successfully in Barnard Castle for a number of years.

## **The Queens Head and Post Chaise Hotels**

21. The freehold of these two properties (the latter being Grade II listed) along with the adjoining Job Centre Plus and Monaco nightclub/wine bar was acquired by the Trust in 2014. Both hotels are in poor condition but well positioned within the Market Square facing both the Town Hall and the Backhouse/Barrington complex. The Trust is planning to convert the Queens Head and Post Chaise into a new hotel. Along with servicing the town and visitors to the Castle estate, it will also provide accommodation for wedding parties, which the Trust sees as part of their overall business plan.
22. The Council will facilitate development team meetings at the Trust's request to help frame designs for the submission of a planning application.

## **Eleven Arches**

23. The Eleven Arches site (formerly Flatts Farm Driving Range and Golf Course) was acquired in 2013 and established a separate body, the Eleven Arches Trust, to oversee the development of this project under a separate CEO. The Eleven Arches Trust's vision is to convert the site into a historical leisure park which through the use of performing arts and technology will recount the history of the region, from the early middle ages to the Second World War. The Eleven Arches Trust has been working closely with Puy du Fou who runs the renowned theme park in Western France which is the 4th most visited attraction in France (1.5M visitors per annum). The Eleven Arches Trust has entered into a partnership with Puy du Fou to deliver a similar show, which will be Puy du Fou's first franchise venture outside France. This is a major coup for the Trust and the Country.
24. Initially, the site will only host night time shows, on weekends during the late spring & summer months with a maximum of 15 shows per annum in 2016, rising to 18 shows in 2018 (subject to the agreement of Environmental Health). The Eleven Arches Trust estimates 8,000 paying visitors for each performance. This is a community-led project with 600+ volunteers, in a variety of roles from visitor services to cast or technical direction. Depending upon the success of the night shows, the Eleven Arches Trust will then consider expanding into a day time leisure attraction.
25. The planning application has been submitted and it was approved in June 2015. The licensing application for the attraction was approved in July 2015. It is programmed that the night shows will commence in July 2016.
26. The County Council own land at the entrance to the Eleven Arches site. The Eleven Arches Trust will need to either purchase or enter into a lease agreement to obtain access over this land to enable the facility to be constructed and operational. This land transaction will form part of the arrangements for the surrender of the Park lease.

## **Binchester Roman Fort**

27. The Trust recently acquired the Church Commissioners land holdings at Binchester Roman Fort along with Binchester Hall and the attached farm. The County Council also owns a small area of land at Binchester Roman Fort. The Trust is considering future options at the moment. The Trust has stated they will continue working with Durham University, Durham County Council and English Heritage to ensure long term research, improvement of the site and public access remains.
28. In addition, the Council also has a guardianship agreement<sup>1</sup> regarding part of the Scheduled Roman fort so as to open it up to the public as a visitor/education facility. This agreement (which expires in 2067) places the onus for protection, maintenance and repair on the guardian but also gives full rights of control, access and management to Auckland Castle Trust as the owners.

## **Historic England Urban Panel Visit**

29. In November last year, the Urban Panel had been invited to Bishop Auckland by Durham County Council and Historic England NE (formerly English Heritage) to consider how the town might adapt to its new role; to advise on how the benefits of Jonathan Ruffer's large-scale investment in the area around the Castle and Market Place might be spread more widely, especially to those historic parts which are suffering decline, and how local communities might engage with, and benefit from, this exciting opportunity. The Panel made a number of recommendations, which are summarised below:
  - Need for strong local leadership to ensure new opportunities are realised;
  - Develop a partnership model of working and prepare a town strategy to ensure benefits are maximised as a result of its role as a new tourism destination;
  - Appoint appropriately-experienced project officers;
  - Eleven Arches needs to maximise the potential that this area can deliver towards the town's regeneration.
30. These have been considered by the Council and partner organisations and are now being acted upon.

## **Durham County Council involvement**

31. From the outset, the Council has welcomed and supported the aspirations of the Trust. The Council has established a development team to support the Trust and help deliver their projects. The development team, which also includes representatives from Historic England, has worked closely with the Trust and provided detailed advice and guidance to the Trust and their ~~consultants on all of the schemes.~~ In particular, there are specific areas

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<sup>1</sup> The relevant legislation is the 1979 Ancient Monuments and Archaeological Areas Act (Section 12) which empowers the Secretary of State (DCMS), local authorities or English Heritage to accept by deed the 'guardianship' of an ancient monument.

where the Council is looking to provide further support for the Trust. These are a refresh of the Bishop Auckland Regeneration Masterplan and the provision of additional car parking spaces.

32. In response to the Urban Panel's recommendations, the Council is now working with key partners to establish governance and project team arrangements to ensure that Bishop Auckland maximises the benefits from the significant investment by the Trust.

#### Bishop Auckland Regeneration Masterplan

33. The Council has developed regeneration Masterplans for each of the County's Towns. The first regeneration Masterplan for Bishop Auckland was approved by Cabinet in April 2012 and references the opportunities at Auckland Castle but predates the acquisition of the Castle by the Trust. The Council is reviewing and updating the document to take account of the significant change in circumstance at Auckland Castle, which was anticipated in the 2012 document, but was not clear at that point. The Council will be working with key partners, such as Historic England and the Trust, as well as the local community on the preparation of this document.
34. The Council has spent in excess of £2.5M updating the public realm and highway around the Market Place. The use of materials, lighting and street furniture which were suitable for a historic Market Place set within a Conservation Area has resulted in a high quality scheme, which compliments the range of projects that are now being brought forward by the Trust. This work was concluded in 2012 and has gone on to win a County Durham Environment Award.

#### Cultural Offer – Town Hall

35. As Auckland Castle develops its cultural offer within Bishop Auckland, it is important that the Council reflects on its own role within the town, and specifically how it can partner, contribute and add to the significant developments in visual art and heritage provided by the Trust.
36. In doing so, Cultural & Sport Services have begun to work closely with the Trust in supporting their visual arts offer, both through discussions on complementary exhibitions at Bishop Auckland Town Hall, as well as supporting the Trust's programme through use of facilities, technical support and specialist staffing.
37. There is also work ongoing about redefining the Town Hall, again to complement the emerging offer of the Trust. Feasibility, on an 'invest to save' basis, is currently being undertaken to this end and is considering a redefined offer around catering, gallery, cinema and arts programme.
38. The Council has also developed the festivals and events offer within Bishop Auckland, working closely with the Trust in developing the Food Festival as well as other events across the town.

39. The Council has developed a positive working relationship with the Trust which has resulted in several collaborations including partnering with Bowes and the University on the recent Spanish Art Symposium, athletics events in the grounds and the Food Festival. It is envisaged that this relationship will continue to develop and that the Culture & Sport service will support and enhance a vibrant cultural offer for Bishop Auckland in partnership with the Trust.

#### Auckland Castle Park

40. The Castle and Park lies within a designated Historic Park and Garden and is included in English Heritage's Register of Parks and Gardens of Historic Interest (Grade II\*).
41. The Park is now owned by the Trust. The former Wear Valley District Council entered into a 28 year lease agreement commencing on 1 Jan 1994 with the previous owners the Church Commissioners. This lease transferred to Durham County Council in 2009. The lease is due to expire on 1 January 2022.
42. The Council's lease covers three main areas:
- i. the wages of the park keeper;
  - ii. maintenance of flower beds and grassed area between park entrance gates and the main gates and to collect litter on a regular basis;
  - iii. responsibility for the maintenance and repair of approximately 12 structures within the park, several of which are listed. In addition, the Authority is responsible for tree guards, seats, litter bins, tracks and paths, inner fences, stiles and drains. The lease does not provide any wider site management responsibilities to the Authority.
43. The Trust has asked the Council to consider surrendering the lease on the Park early. The Trust has provided the Council with a settlement figure regarding the surrender of the lease. These are £204,568 for the Park Keeper and £312,950 for the dilapidations to the 12 listed structures. In principle, these figures are considered to be acceptable. The Council will enter into negotiations with the Trust over a package of measures to complete this financial transaction. It will be important to note that any negotiations regarding the surrender of the lease will need to ensure that free public access to the Park is maintained. This right has been established for a number of years.

#### Car Parking

44. In January 2015 a set of Heads of Terms was agreed between the Trust and Durham County Council regarding the future management and maintenance of the North Bondgate car park.
45. In line with these proposed Heads of Terms, we have now undertaken a period of public consultation. This consultation was developed with the



Consultation Officers Group to develop an online survey to ascertain public opinion on the proposals. The consultation also included undertaking 3 days of drop-in public consultation in the Town Hall (4<sup>th</sup>-6<sup>th</sup> June).

46. The online survey closed on 19<sup>th</sup> June and the total number of responses was 1130. After the consultation closed, we received a petition from 32 local businesses opposing the transfer of the land to Auckland Castle Trust. This stated that the Trust taking over the North Bondgate car park and the adjoining land would have a detrimental effect on livelihoods and community spirit. The petition stated that businesses in the centre suffered during the recent food festival because the car park was closed and that as the car park is the most important tool for the community to access the town and for businesses to thrive (as it is the largest and most used car park), the petitioners were of the view that the town will always be accessible to residents, shoppers and tourists alike if the County Council remains in control.
47. The Council also received correspondence from the owners of the Newgate Shopping Centre expressing some concerns over this proposal. These concerns relate to the potential for visitors to go direct from the car park to the Castle and make the return journey without visiting the Town Centre and that the extended car park would have a negative impact upon people using their multi-storey car park and the trade of their tenants.
48. A summary of the key statistics from the consultation responses are given below:

Do you agree or disagree that the car park at North Bondgate should be expanded to provide more spaces?

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	889	79.4%
Agree	166	14.8%
Neither agree nor disagree	36	3.2%
Disagree	14	1.3%
Strongly disagree	15	1.2%
<b>TOTAL</b>	<b>1,120</b>	<b>100.0%</b>

Do you agree or disagree that on completion the car park should be managed, maintained and operated by Auckland Castle Trust?

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	649	57.8%
Agree	213	19.0%
Neither agree nor disagree	141	12.6%
Disagree	38	3.4%
Strongly disagree	81	7.2%
<b>TOTAL</b>	<b>1,122</b>	<b>100.0%</b>

Do you agree or disagree that the current car park charges should remain the same for at least the next 3 years for local residents?

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	718	64.5%
Agree	196	17.6%
Neither agree nor disagree	102	9.2%
Disagree	38	3.4%
Strongly disagree	60	5.4%
TOTAL	1,130	100.0%

49. During this period, the Trust has tried to answer some of the concerns raised by objectors and have publicly stated that if they do acquire a lease for the land, they are planning to:
- Employ car park attendants to meet and greet visitors, inform them of all the town has to offer and activities and events that will be on at the Castle (and Spanish Gallery etc.);
  - Enable residents to continue to park at the current DCC prices and offer free parking on a Sunday;
  - Provide a shuttle service between the Car Park and the Castle for less able visitors.
50. It is clear that the public consultation has shown overwhelmingly support for the proposal to extend the car park, that the Trust take over management and maintenance and that parking charges remain as currently set for the next three years.
51. The proposed design of the extended car park onto the former bus depot site has been agreed with the Trust. The planning application was approved on 29<sup>th</sup> September 2015.

Additional land owned by Gentoo Developments – see attached plan at Appendix 2

52. The land to the east of the former bus depot site is owned by Gentoo and is occupied by businesses with short term tenancies. In line with the heads of terms, the Council has sought to acquire a lease for this land to provide additional car parking. The rent which is currently being negotiated is £20,000 per annum being index linked with a minimum increase of 1.75% per annum which represents market rent for the existing use so does not represent an undervalue.
53. Subject to Cabinet consideration, the negotiations with Gentoo can be concluded, work will commence jointly with the Trust on designing the new car park and a planning application will be soon thereafter. It is anticipated that the construction works for both the former depot site and this land will be undertaken as one contract.

Financial considerations

54. In revenue terms, the proposal to transfer land relating to the car park to the Trust would mean an initial annual revenue cost to the Council of circa £62,730 comprised of the loss of surplus car parking income of £42,730 and costs for the lease to Gentoo for their land of circa £20,000. In addition, there will be a one off cost incurred by the Council in surrendering the lease for the Park early. This is valued at £517,518 which will cover dilapidations to the structures listed in the lease and the park keeper costs.
55. Historically, there was a capital allocation of circa £1m to address some of the ACT related projects, although in order to address the car park issues this was increased and the Council currently has an approved capital budget of £1.520m. However, £750,000 of this capital allocation has been provided on a self-financing basis, which leaves a core capital allocation of £770,000. The original assumption was that the car park would remain in ownership of the Council. The current draft proposals assume that future car park income will be receivable by the Auckland Castle Trust and not the Council.
56. The proposed cost of delivering the enlarged car park and improvements to the streetscape at North Bondgate is approximately £1,027,000. This figure is broken down as follows:
- Installation of car park on depot site £500,000
  - Demolition of buildings on the Gentoo site £75,000
  - Installation of car park on Gentoo site £452,000
57. If the Council was to incur the £1.027m improvements works to enlarge the car park, the underlying cost to the Council after taking into account a contribution of up to £750,000 from Auckland Castle Trust would be circa £277,000. These costs can be met within the available £770,000 resources already allocated through the capital programme.
58. Other capital works are also proposed. These include improvements from the car park to the Market Place (£200,000) and in addition to the ACT funded Welcome Building and highway realignment works, DCC proposes additional traffic calming measures near the Castle entrance (£500,000). An additional capital bid for 2017/18 has been submitted for the latter.
59. The financial implications can be summarised below and costs will be accommodated from existing service grouping revenue and capital budgets, and an element of asset transfer:

One-off financial costs

Revenue	Budget
Park keeper costs related to the lease surrender	204,568
<b>Total</b>	

The above costs will be funded from contingencies.

<b>Capital</b>	<b>Budget</b>	<b>Capital bid</b>	<b>Assumed Budget</b>	<b>Requirement</b>	<b>Difference</b>
Car Park improvement	770,000	0	770,000	277,000	(493,000)
Dilapidations costs related to lease surrender	133,000	0	133,000	312,950	179,950
Public realm improvements	200,000	0	200,000	200,000	0
Town Centre improvements	240,000		240,000	240,000	0
Traffic calming	0	500,000	500,000	500,000	0
<b>Capital</b>	<b>970,000</b>	<b>500,000</b>	<b>1,710,000</b>	<b>1,529,950</b>	<b>(313,050)</b>

#### Ongoing financial costs

<b>Item</b>	<b>Current £</b>
Loss of Car Park Income (per annum)	42,730
Lease Gentoo land (per annum for 30 years)	20,000
Park keeper saving (until 2022)	(32,000)
<b>Revenue</b>	<b>30,730</b>

The recurring financial costs of £30,730 will be accommodated from existing service budgets.

#### Valuation

60. If the Council were to invest in developing the car park, and the Trust pay a contribution towards the development costs, the net income projected for this area of the site has been capitalised at a value of £965,000 representing the first element of the disposal at an undervalue.
61. The second element of the disposal at an undervalue relates to the income which should be received by the County Council in relation to the sub-lease to the Trust. This has been valued on the basis of the proposed car park and it has been calculated that the market rent for this use would also be in the region of £20,000 per annum plus periodic uplifts in a similar manner to the proposed lease-in from Gentoo. As such it can be assumed that the market rental value for the two uses and, therefore, both the lease in and sub-lease out are equal. Our independent State Aid advisor has confirmed that the element to be valued is the capital value of the 30 year lease benefit to ACT which has been calculated at £250,000. The calculation of the total State Aid benefit to the Trust equates to £1,215,000 (valued by an independent surveyor).

62. In accordance with the legal advisor's recommendation, for transparency we have instructed an independent valuation of the State Aid benefit.

### State Aid

63. The disposal of land at an undervalue to an economic entity can constitute State Aid if the benefit to the recipient is capable of distorting competition within the European Union. We have sought independent legal advice on this matter, which has confirmed that the State Aid will be lawful provided that the provisions of Article 53 (culture and heritage conservation) of the General Block Exemption Regulation 2014 are met by the Trust. More detail on those provisions are set out under legal implications in Appendix 1.

### Other Matters

64. The Council is also working on a number of other projects in the Town Centre. We are working in partnership with the King James Foundation Trust and the South Durham Enterprise Agency on the restoration of the fire damaged former King James school building.
65. The Council is implementing a package of measures through the Town Centre Improvements Programme. This Programme has an allocation of £246,000 in the Capital Programme over the next two financial years. The Council are also supporting the Town Team with their activities and officers will be members of their Core Team.
66. Old Bank Chambers is the Grade II listed building was being used on a part time basis as a Customer Access Point (CAP) for Bishop Auckland. The part-time use of the building for this purpose is not an efficient use of property nor is the building either fit for purpose or fully DDA compliant. Following a review of Customer Service's delivery model the CAP has been relocated to the more accessible Library within the Town Hall. The Council is currently marketing the property for sale and it is anticipated that the new owners will develop the property to compliment the work that is being undertaken to regenerate the Town Centre.

### **Recommendations**

67. It is recommended that Cabinet:
- a) Welcome the significant investment and the development work being undertaken by Auckland Castle Trust;
  - b) Provide delegated authority to the Corporate Director of Regeneration and Economic Development in consultation with the Portfolio Holder for Economic Regeneration to enter into legal agreement with Auckland Castle Trust over:
    - i. the use of land at North Bondgate as a car park. The terms of the agreement will be compliant with Article 53 (culture and heritage conservation) of the General Block Exemption Regulation 2014; and,
    - ii. the surrender of the existing lease on Auckland Castle Park.

- c) Provide delegated authority to the Corporate Director of Regeneration and Economic Development in consultation with the Portfolio Holder for Economic Regeneration to enter into legal agreement with Gentoo Developments regarding their land holding at North Bondgate;
- d) Provide delegated authority to the Corporate Director of Regeneration and Economic Development in consultation with the Portfolio Holder for Economic Regeneration to enter into legal agreement with the Eleven Arches Trust over the sale or lease to provide highway access to the land;
- e) Note the additional revenue cost of £30,730 by the Council which will be accommodated within existing budgets;
- f) Note the capital commitment of £1,529,950 by the Council from its capital programme and that an additional capital funding of £186,950 will be required to fund the proposed works in the town centre;
- g) Acknowledge the recommendations of the Urban Panel report;
- h) Endorse the partnership model of governance to ensure that the Town benefits from the significant investment by Auckland Castle Trust.

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## **Appendix 1: Implications**

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### **Finance**

The implications of transferring land in connection with the car park will result in recurring revenue costs of £30,370 which will be accommodated within existing service grouping budgets after taking into account a saving on park keeper costs.

Cost incurred with surrender of the lease of Auckland Castle Park will be met via a combination of measures including monies with service grouping cash limits and asset transfer.

The Council will be spending in excess of £1.5m capital in Bishop Auckland Town Centre to stimulate regeneration.

### **Staffing**

There are no implications.

### **Risk**

The implications for not completing works are discussed in the body of the report. State Aid risks are considered below in the Legal Implications section.

### **Equality and Diversity / Public Sector Equality Duty**

There are no implications.

### **Accommodation**

Old Bank Chambers was vacated on 23<sup>rd</sup> December with the new CAP opening to the public on Thursday 8<sup>th</sup> January. The building is currently being marketed.

### **Crime and Disorder**

There are no implications

### **Human Rights**

There are no implications

### **Consultation**

The regeneration masterplan will be subject to targeted public consultation prior to its adoption.

As part of the public consultation held during June on the proposal to extend car parking at North Bondgate, the survey questionnaire asked for any additional comments regarding the three proposals, i.e.

1. should the car park be extended?
2. on completion should the management, maintenance & operation be transferred to the Trust? and
3. should the current parking tariffs remain the same for the next three years for local residents?

An analysis of these comments has been undertaken.

Over 300 comments were received regarding Question 1 on the expansion of the Car Park. Generally these comments were positive supporting the requirement for more parking and agreeing it is needed to manage an increase in visitors to Bishop Auckland. Other comments received stated that the expansion is a welcome addition to facilities in the town and generally more parking is a good idea. Seven comments received from those who disagreed with the expansion of the car park stated that there is sufficient parking already; only eleven negative comments in total were received.

Comments for Question 2 totalled 226 positive and negative. The most common comments were reaffirming their support for the transfer of management to the Auckland Castle Trust. Of the 60 comments from those disagreeing with the change in management, the most frequently stated comments were that it should be managed by Durham County Council or that they thought a change in management would increase parking charges.

Over 200 comments were made regarding Question 3. The most common reason for keeping residents charges the same over the next three years was that it should be free for residents, at the same price or cheaper than current rates. The comments received against the retention of rates were in fact those residents who thought the car park should be free of charge.

### **Procurement**

There are no implications

### **Disability Issues**

There are no implications

### **Legal Implications**

Article 53 permits aid towards the capital and revenue costs of a heritage site, including in Article 53(2)

*“(a) museums, archives, libraries, artistic and cultural centres or spaces, theatres, opera houses, concert halls, other live performance organisations, film heritage institutions and other similar artistic and cultural infrastructures, organisations and institutions;*

*(b) tangible heritage including all forms of movable or immovable cultural heritage and archaeological sites, monuments, historical sites and buildings; natural heritage linked to cultural heritage or if formally recognized as cultural or natural heritage by the competent public authorities of a Member State”.*

The general project is eligible for aid under Article 53. Looking specifically at car parking within this context, Article 53.4(a) permits investment aid as investment costs in tangible and intangible assets, including:

*“costs for the construction, upgrade, acquisition, conservation or improvement of infrastructure, if at least 80% of either the time or the space capacity per year is used for cultural purposes”.*

Based on the above, the capital costs of delivering a car park (which is plainly important infrastructure for a major visitor attraction) include land acquisition, and therefore the Council not charging full land value for transfer of its land interests in



this respect should be treated as akin to a grant (of the relevant value) against the costs of delivery of the ACT car park.

Two factors need to be established clearly:

1. That the car park is very much the ACT car park that is necessary for the proper functioning of the project by any reasonable assessment; and
2. That the car park is reasonably projected to be used at least 80% for cultural purposes (i.e. for visitors to the project, whether the castle and/or the intended art exhibition).

Appendix 2: Land Ownership plan

