

Hambleton District Council

Report To: Chief Executive

Date: 2 June 2020

Subject: **Leeming Bar Strategic Employment Site**

Portfolio Holder: Economic Development and Finance
Councillor P R Wilkinson

Wards Affected: Bedale Ward

1.0 Purpose and Background

- 1.1 This report deals with the Council's role in the implementation of the Leeming Bar employment site which is identified as a Key Project in the Council Plan 2019-23.
- 1.2 Specifically the report seeks approval for negotiating option agreements for the purchase of the site and for the Council to work in liaison with an established local business to develop the business case for the scheme.
- 1.3 The Local Plan process identified the need for employment land at Leeming Bar. This resulted in a proposed allocation of 20.65ha with a further 9ha to be safeguarded giving a total of 30.34ha. The site is one of two strategic employment sites identified in the District. The Plan has been submitted to the Planning Inspectorate for Examination and there are objections related to the soundness of the allocation which will be considered during the Examination.
- 1.4 Cabinet previously approved a budget of up to £43,500 for investigatory works to give confidence that the proposed allocation is sound and therefore appropriate to be included in the Local Plan (minute CA.44). The works were to be incremental to minimise the financial risk to the Council whilst ensuring sufficient information to allow key decisions to support the Local Plan allocation.
- 1.5 Further money was added to the budget for feasibility works via Capital Programme monitoring with the aim of refining the viability and feasibility work to determine if the acquisition and servicing of the site could be a Council led project. The total allocated budget for the work is £127,000. As of December 2019 £53,685 had been expended leaving a balance of £73,315.
- 1.6 Since Cabinet in 2017, the following additional investigations have been undertaken to provide evidence in support of the deliverability of the allocation:
- Topographic survey
 - Preliminary Environmental Assessment Report
 - Market demand involving further discussions with the indigenous businesses about their future growth plans
 - Meetings with NYCC Highways to discuss highways issues and site access
 - Additional discussions with individual utility companies to further quantify viability risks
 - Independent review of land titles

- Valuation advice on method of procurement for the land included in the proposed allocation
- Further in-house refinement of the viability assessment to incorporate the information from the above activities

2.0 Current Position

- 2.1 An established Leeming Bar business needs further land to enable its development and has expressed an interest in the new site at Leeming Bar, requiring approximately 8-9ha. Meetings have taken place with the business to discuss their requirement and how this might fit into the wider scheme.
- 2.2 Assuming the allocation is confirmed through the Local Plan Examination the proposal would be for the development to be a Council led scheme as with previous industrial estates in the District, subject to viability.
- 2.3 An option to take the scheme forward is for the Council to work in liaison with the business to develop the Masterplan and service the site. The benefits to the Council of working in liaison with the business on a without prejudice basis would be:
- Greater certainty of requirements for the scheme from the business as an end user
 - To develop a more robust business case; so far this has been developed on purely speculative information.
 - Overall a better scheme may be delivered.
- 2.4 Suggested objectives for working in liaison are:
- To bring employment land forward at Leeming Bar in line with the Local Plan and to make this available to local businesses including the particular business
 - Protect the general amenity of Leeming Bar for the residents and wider community
 - To meet local needs
 - To work in liaison with the business and other businesses
 - To deliver a high quality development in terms of layout, design, landscaping, etc including the potential provision for high end manufacturing
 - To maintain a positive reputation with residents and businesses in Hambleton in delivering the scheme
 - Ensure the infrastructure is capable of meeting the requirements of the business and other businesses.
- 2.5 The potential involvement of the business would require the Council to review the further feasibility work in terms of priority and timetable.
- 2.6 The business might commission its own design and costing work to demonstrate how their development could fit into the overall scheme. From this there could be an opportunity for sharing information and some of the associated costs for feasibility work and development of the business case.
- 2.7 The current thinking is that the Council would:
- Lead the negotiation and purchase of options
 - Lead the project preparations and, possibly, implementation

- Continue to develop the business case
- Co-ordinate private sector input
- Manage relationship with NYCC/Highways

3.0 Land Acquisition

- 3.1 Subject to viability, securing the land is a critical step in delivering the scheme. The preferred approach would be for the Council to secure the proposed allocated land, develop the site services in liaison with the business, then sell the required amount of land to the business and plots to other businesses that meet the policies and objectives for the site.
- 3.2 Authority was given for officers to speak to the landowners for the entire site on a 'without prejudice' basis:
- in order to ascertain if they are still interested in selling their land for employment development;
 - in order to ascertain if they would be happy to enter into negotiations with the Council;
 - to advise that the mechanism for purchasing the land would be by option agreement; and
 - to advise that the decision to implement the options would be dependent on the Examination, planning approval and further feasibility work so they are aware that there are further steps to go through prior to any agreements being finalised.
- 3.3 A meeting has taken place with the eight landowners of the full 30.34 ha proposed allocation. The landowners confirmed that they were still interested in selling their land and agreed that they would like to act together jointly, except one landowner that already has an appointed agent.
- 3.4 It was agreed that the Council's agent would arrange to meet the owner's agents to open negotiations and establish:
- The length of the option agreement that would need to take into account the timeframe for the Local Plan to be adopted and outline planning to be submitted
 - Price per acre for the land that landowners are looking to achieve
 - Option fee - this is usually non-refundable if the option is not exercised and may vary for the different size holdings
 - Proposed level of Legal fees and Surveyor's fees that the Council would be expected to cover.
- 3.5 When the meetings have taken place the Council will have a clearer idea of the financial implications to secure the land and this will feed into the business case for the site.
- 3.6 Assuming procuring the land on reasonable terms is possible, the Council would look to establish an agreement with the business on the scope of working together.

4.0 Further feasibility work

4.1 If it looks as though the Council can secure option agreements for the land, there will be further on-going feasibility work that will contribute to the business case. The work will include:

- Detailed species and hedgerow surveys
- Ground investigations
- Further utility investigations that will be refined with input from the business.

5.0 Link to Council Priorities

5.1 A key strategic priority in the Council Plan is driving economic vitality. Unlocking growth potential through the development of a strategic employment site at Leeming Bar will have a direct and positive impact on employment and business growth for the District. Leeming Bar is recognised by the Council as a strategic location for businesses and employment; the site has been allocated in the Submission Draft Local Plan and the Council Plan 2019-23 identifies the site as a Key Project.

6.0 Risk Assessment

6.1 Risk in approving the recommendation

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative action	Net Prob	Net Imp	Net Total
The cost to secure the land for the development are significantly above estimates in business plan and valuation report	Scheme becomes financially unviable	3	5	15	Negotiations and an open book on feasibility work to encourage realistic expectations	2	3	6
Council and business cannot agree basis on which to work together	Working in liaison will not take place, costs cannot be shared and possible impact on reputations	3	5	15	Agreement on common objectives for the project and clarity on scope of agreement of working together	2	3	6

6.2 The key risk is in not approving the recommendation as shown below:-

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative action	Net Prob	Net Imp	Net Total
The land is left to market forces to determine how it is developed	Less certainty over the development of the scheme and potential impact on meeting the needs of local businesses	4	5	20	Use planning powers to achieve the Council's objectives for the allocation	3	4	12

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

Overall the risk of agreeing with the recommendation outweighs the risks of not agreeing and is considered acceptable

7.0 Financial Implications

- 7.1 There is provision in the Capital Programme to cover the costs associated with this report.
- 7.2 The requirement for additional works will be dealt with via Capital Programme reporting

Capital Expenditure	2020/21 £
Option negotiations	<u>£3,810</u>
Survey fees	<u>£33,927</u>
Financed by:	
Capital Programme	<u>£37,737</u>
	<u>£37,737</u>

8.0 Legal Implications

- 8.1 There are no direct legal implications at this stage. In due course there may be a requirement to draw up formal option agreements for the land acquisition.

9.0 Equality/Diversity Issues

- 9.1 Equality and Diversity Issues have been considered however there are no issues associated with this report.

10.0 Recommendations

- 10.1 That the Chief Executive uses his delegated authority to approve:
- (1) The following actions to bring forward proposals for the development of the Leeming Bar employment site:
 - Proceeding with option negotiations for the land as per section 1.4 of the report.
 - Working in liaison with the local business to design and cost the scheme and develop the business case; and
 - (2) A further report be brought to Cabinet on the outcome of option negotiations and the business case.

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Director of Business and Economy

Background papers: None
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