

ECONOMIC INFRASTRUCTURE

DEVELOPMENT LAND SALES STRATEGY

2023/24

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Executive Summary

The Economic Infrastructure Service is responsible for the proactive management, marketing, and sale (“disposal”) of Lincolnshire County Council’s (LCC) portfolio of development land previously identified as suitable for economic growth and development opportunities across the county. It is also responsible for the portfolio of economic development properties as described in the Economic Infrastructure Lettings Strategy.

As of December 2022, the Council’s Economic Infrastructure development land portfolio comprised of 29 individual available plots totalling c.74 acres across five separate sites/locations in five towns as follows:

- East West Link, Lincoln – 4 plots, 1.55 acres
- Kirton Distribution Park, Boston Borough – 2 plots, 20.44 acres
- Skegness Business Park, East Lindsey – 2 plots, 9.4 acres
- Spitalgate Heath Business Park, Grantham, South Kesteven – 2 plots, 19.54 acres
- South Lincolnshire Food Enterprise Zone, Holbeach, South Holland – Phase I: 6 plots, 4.08 acres, Phase II: 13 plots, 19.52 acres (*jointly owned 50/50 with South Holland District Council*)

This document has a dual purpose of providing a useful guide for elected members describing the management of this portfolio **and** acts as a Procedure Manual for officers to refer to for guidance and to ensure consistent decision making. It provides transparency and clarity and promotes efficiency in the way sales are dealt with.

The overarching aim of the service is to provide suitable sites and premises to support new businesses and enhance economic prosperity and job growth across Lincolnshire whilst at the same time optimising revenue income and capital receipts from the Council’s Economic Infrastructure portfolio.

The Strategy provides a framework to ensure that the best use is made of the Council’s Economic Infrastructure premises. Whilst not an exhaustive list it provides guidance on:

- What uses and activities are deemed acceptable on LCC’s land
- What the responsibilities of each party are in terms of site maintenance, etc.
- What criteria will be used to select (or reject) applications from suitable purchasers

These management principles are consistent with the Greater Lincolnshire Local Enterprise Partnership (GLLEP) objectives of ‘supporting key employment sectors’ and ‘attracting inward investment and growing foreign direct investment’ as set out in its Strategic Economic Plan 2014 – 2030.

1. The Role of the Regeneration Team

The Regeneration Team, within the Economic Infrastructure Service, is responsible for the proactive management and marketing of LCC's land assets held for the purposes of encouraging economic growth, job creation and realising capital receipts.

The Team is responsible for the effective management and marketing of five sites across the county, equating to approximately 74 acres of development land for use by (mostly) small to medium sized businesses.

The land assets can be broken down as follows:

District	Local Plan Area	Site	Acreage
City of Lincoln	Central Lincolnshire	East West Link	1.55
Boston Borough	South East Lincolnshire	Kirton Distribution Park Phase II	10.16
		Kirton Distribution Park Phase III	10.28
East Lindsey	East Lindsey	Skegness Business Park	9.40
South Kesteven	South Kesteven	Spitalgate Heath Business Park	19.54
South Holland	South East Lincolnshire	South Lincolnshire Food Enterprise Zone	
		Phase I	4.08
		Phase II (50/50 with SHDC)	19.52
Total			74.53

Management of the assets includes landscaping, insuring, security and the maintenance of unadopted assets like drainage, pumping stations, highways and streetlighting.

Where sites include areas of shared spaces, for example verge landscaping, the sale contract will include a provision for the Council to recover a reasonable share of the cost of maintaining and repairing these shared areas and estate services. The exact service charge provisions are set out in each contract and the Council calculates and invoices service charge amounts in accordance with the [RICS Service Charges in Commercial Property Professional Statement, 1st Edition, September 2018](#).

Where appropriate, the Council will sell long leasehold interests (999-year lease), rather than freehold sale, to optimise the degree of future control over the land to be sold. For example, at the South Lincolnshire Food Enterprise Zone this approach is being used to give greater confidence that future land use will comply with the Council's aspirations for the site to be a high-quality business location for companies in the Agri-Tech sector.

The development plots at the East West Link, Lincoln were created following the completion of the East West Link Road. That is, following the acquisition of various land parcels needed for the construction of the new road, the residual land once the road was completed has been earmarked for sale to facilitate the creation of a vibrant economic corridor.

Proactive marketing of the land assets includes valuing assets based on market conditions, promotion and/or appointment of marketing agents, legal compliance and drafting of documents, as set out below.

The team provides professional advice and services to other members of the Growth Department and to other Council departments, for example, advising on current market conditions within the county or wider, business expectations and requirements.

Work Stream	Activities Included	LCC Objectives
Agency	Negotiating Heads of Terms (HoT) Instructing Legal Services	Encouraging economic growth, job creation and realising capital receipts.
Estate Management	Service charges Repairs and maintenance of non-adopted assets	Encouraging economic growth, job creation and realising capital receipts.
Promotion and Marketing	Strategy Social media and press releases Promoting opportunities across Lincolnshire	Encouraging economic growth, job creation and realising capital receipts.

2. Our Vision

Our vision is to exceed our business customer’s expectations in providing suitable and welcoming business environments, so they recognise our service, experience and professionalism and we become their automatic choice when they require expertise in the field of estate management, development land and property advice.

3. The Aims of our Service

As well as delivering our core service as described above, we also take a supporting role in the delivery of Economic Infrastructure projects including public realm works and other schemes designed to strengthen the growth of the Greater Lincolnshire economy.

4. Lincolnshire County Council's Core Values and Behaviours

We carry out our responsibilities in accordance with the Council's core values and behaviours framework as set out below.



5. Specific Team Objectives and Priorities

The Regeneration Team will follow specific objectives and strategies to contribute to the Council's objectives and vision whilst at the same time allowing each team member to develop their skills and observing the need to always provide a professional service. We do this by:

- Optimising the net capital receipt generated from a freehold or leasehold sale of Council land assets for economic regeneration, while always recognising that the assets have a dual role for securing economic growth and job growth across Lincolnshire.
- Recognising the important role we play in supporting businesses to recover from the significant impacts of the pandemic and other economic challenges.
- Provide a proactive project management service across the Economic Infrastructure team on a range of other public realm and economic growth projects that are not part of our existing portfolio.
- As part of the Best Value and Asset Management Planning process the team will review its property holdings to ensure the Council's corporate planning and service delivery plans are achieved, including the sale of development sites and other surplus sites, and the investment in those properties to be retained where a suitable business case to do so is identified.

- Regularly reviewing our current working practices to ensure that we comply with relevant corporate, legal, and professional responsibilities at all times. Where appropriate to assist colleagues, we will prepare concise procedure notes to ensure consistency, continuity, and efficiency.

6. The Process/Flowcharts

If a site is identified as being suitable for non-residential development, including industrial or other commercial development, the possibility of development by LCC will be considered in the first instance. If LCC development is not considered appropriate the site will be put forward for sale.

The Regeneration Team will determine the most appropriate method of sale which is most likely to be by private treaty sale, although auction, informal and formal tender are alternatives.

Guidance on market value, setting the asking price and marketing strategy will be sought either via Corporate Property and Kier using the Concerto software to issue a new instruction where necessary, or an appointed commercial marketing agent to provide valuation advice and to act on our behalf with regards to any sale.

Once Heads of Terms (HoT) have been agreed with the prospective purchase on a “Subject to Contract” basis, in line with the Council’s constitution officers will seek Delegated Authority from the Executive Director of Place to progress the sale. Delegated Authority ensures the Executive Director of Place is informed of the sale price, intended development, and purchasing party.

Once Delegated Authority has been given, Legal Services Lincolnshire will be instructed to complete the sale. Legal Services Lincolnshire will be responsible for undertaking appropriate anti-money laundering (AML) checks on the prospective purchaser as necessary.

Officers will contact Corporate Property to ensure the financial requirements are in place and that appropriate codes are set up to receive the capital receipt.

Once the sale is completed, Legal Services Lincolnshire will notify Corporate Property and the Council's Property Records will be updated accordingly. The Regeneration Team will be responsible for updating its own in-house database/client relationship management (CRM).

The Head of Economic Infrastructure and the Regeneration and Portfolio Team Leader will meet with Corporate Property to discuss and review the Council's land sale dashboard as prepared and held by Corporate Property.

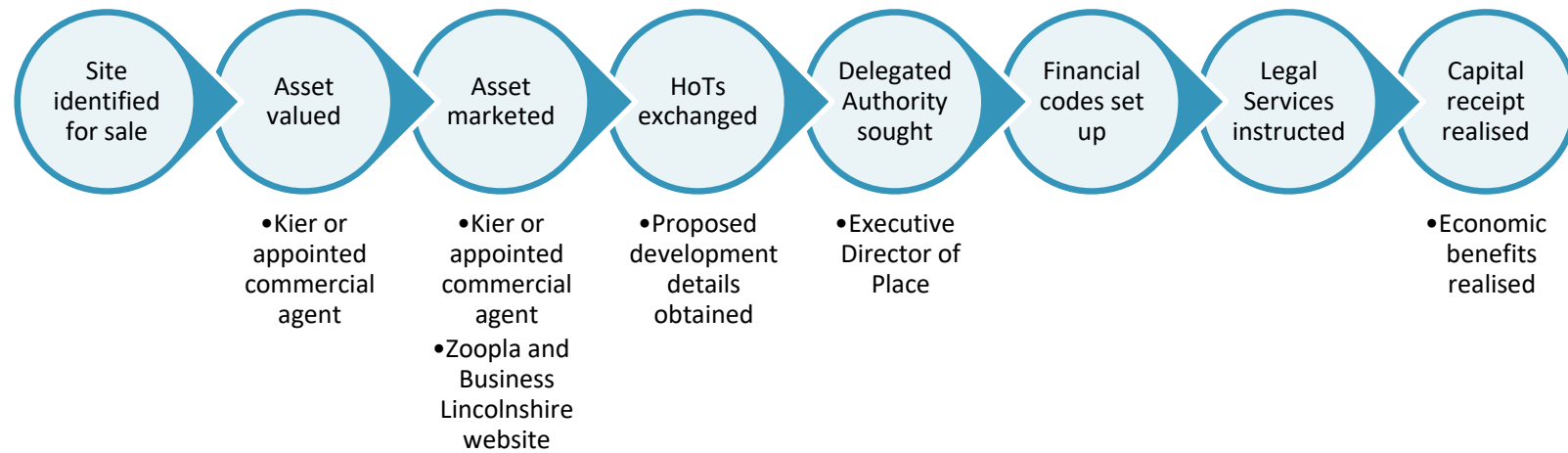
Where appropriate, the Council will seek to recover costs for surveyors, legal services, and any other reasonable professional fees from the purchaser, or deduct the final costs from the capital receipt.

In the unlikely event that a property is not sold on the open market, then specific approval must be sought following a recommendation from the Property Board to secure the sale in a directly negotiated private treaty sale and a Market Valuation by an RICS Registered Valuer be provided.

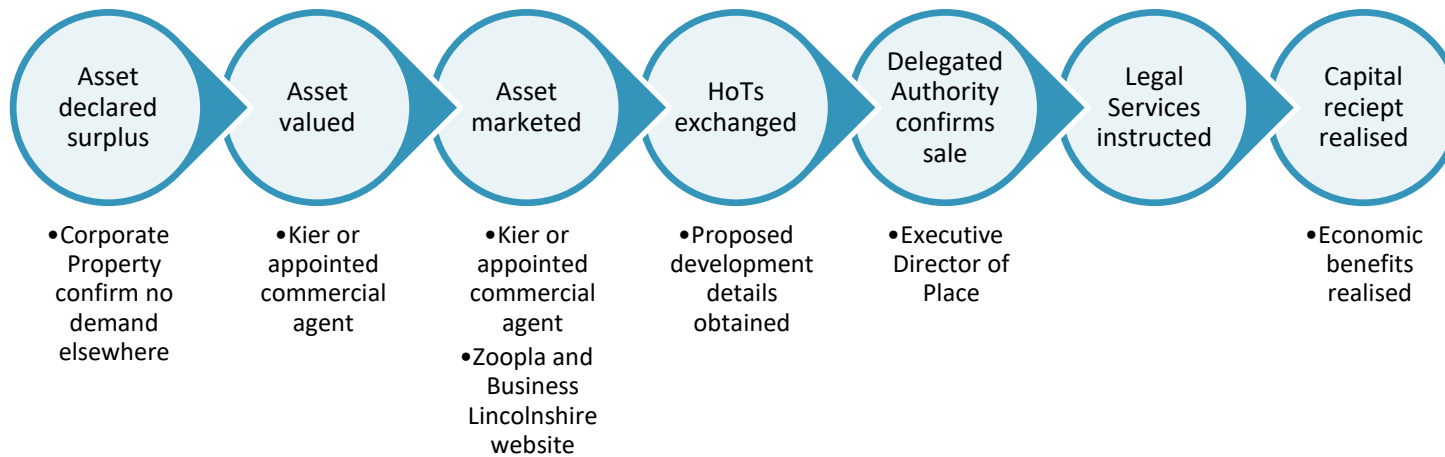
Formal Tender, where the Council will invite sealed bids to be opened together, may be considered as a suitable sale method in certain cases. If used, the Council and purchaser then immediately enter into a contract with the purchaser expected to pay a 10% deposit.

If a site, other than a designated development plot as set out above, is referred to Corporate Property for a declaration of surplus, Corporate Property will be responsible for consulting with statutory services, highways, planning, legal services, and other service departments to determine if there are any constraints on site. Unless a windfall site, appropriate Delegated Authority rests with the Executive Director of Place to proceed with the sale of all economic development sites currently being marketed in the attached schedule at [Appendix A](#).

6.1. Economic Infrastructure Sale Flowchart



6.2. Declaration of Surplus Sale Flowchart



7. Approach to Negotiations

The criteria described above is not an exhaustive list of every consideration in the decision-making process of an applicant for land purchase, however, it does highlight the major matters that officers must consider and those most likely to influence our recommendation to accept an offer and our overall approach to negotiation of commercial matters.

These matters must be considered when reviewing any interest to ensure that the Economic Infrastructure team meets the Council's primary objective of maximising economic growth and nurturing prosperity.

8. Obligations

The Council is obliged to act in accordance with the Local Government Act 1972, notably s123, which calls for sales to be for "best consideration". In certain circumstances, a sale may be at less than best consideration. For example, to help secure the promotion of economic, social, or environmental well-being, and detailed, national guidance exists for this scenario.

Where LCC has previously "opted to tax" an asset the option will remain applicable until it is sold, and it will necessitate the Council to charge VAT (Value Added Tax) on the sale transaction.

The Council, its agents and other partners will be expected to work in a confidential and commercially sensitive manner at all times.

9. Other Considerations

Consideration will need to be given as to whether the Council has previously opted to tax the asset. This important decision could have serious financial implications to LCC, and Economic Infrastructure will consult with the Council's VAT Officer, Financial Strategy Team, prior to agreeing sale terms.

The timing of all sales will have consideration to the Council's wider budgeting programme/strategy.

Pertinent factors will include:

- The need to raise capital receipts at the time
- Current market conditions
- Impact on revenue e.g., potential savings of liabilities (empty business rates, utility costs, repairs etc)
- Need to work with stakeholders; to unlock additional value

When agreeing HoT, officers will consider using appropriate restrictive covenant/s, overage or clawback provisions to protect LCC's interest in the event of an onward sale above market value or non-delivery of proposed benefits (land banking).

Officers will also consider the requirements of other statutory requirements including, but not limited to, subsidy control and AML.

If officers are of the opinion that entering a partnership arrangement with a private sector partner may be beneficial, over and above a simple private treaty sale, the matter, including outline HoT (Subject to Contract) will require specific approval for the business case following a recommendation from the Property Board.

10. Proposed Developments

When directly negotiating with a developer regarding the sale of land, officers will seek information from the prospective purchaser regarding the following:

- Detailed information and plans for the proposed development
- Anticipated timescale for the completion of the development
- Details of funding arrangements, including confirmation that funding is in place
- Details of the developer's financial offer for the property
- Details of any conditions to which the proposal is subject
- Any wider/long term regeneration/growth benefits from the proposal. e.g., jobs created, or businesses safeguarded
- Potential for the leverage of private or other public sector funds

Officers will have a degree of discretion when negotiating the sale of development sites, provided the sale price agreed is within the reasonable margin of the market values as set out in the Valuation Report obtained as per the procedure. While this variance may differ from case to case, it is expected that in most instances it will be +/- 5-10% of the value shown. Where this margin cannot be met and the sale cannot be considered to be at best consideration, the terms of the sale will need to be authorised as a sale at an undervalue if legal requirements can be met.

11. Marketing Strategy

Vacant sites are either marketed in-house via Zoopla and the Business Lincolnshire website, or a decision is made to appoint an external marketing agency. In either case, 'For Sale' advertising boards and marketing particulars are created for promotional purposes and to support the demonstration of "best consideration".

12. What Does ‘Good’ Look Like?

In order to provide a professional service to the Council and to our local businesses, we offer:

- Excellent customer service. As a result of efficient management, high levels of knowledge regarding the local economy, businesses, the area, and other LCC services.
- High degree of flexibility. For example, allowing prospective purchasers access to the land at short notice to carry out ground survey conditions prior to contractual completion. We can also demonstrate flexibility by negotiating prices which assist businesses wishing to grow and deliver commercial floorspace and job creation.
- Good quality space. Ensuring our land assets are well presented, maintained and secure to give a strong impression about our professionalism and locations.
- A clear business plan. This ensures we focus on our core objectives such as providing businesses with the space to flourish and grow.
- Expertise to add value wherever we can. For example, we might sell a site or let premises for “best consideration” but also to reflect an identified need to accept a lower commercial return where wider economic or community benefits make this worthwhile.

13. How Are We Performing Against these Guidelines?

We have used this strategy for all sales to date, which has seen Foxby Lane Business Park and Kirton Distribution Park fully sold, and individual plot sales on Lincoln East West Link, Skegness Countryside Business Park, and the South Lincolnshire Food Enterprise Zone Phase I.

These sales have resulted in the creation of an estimated** **748** jobs, **149,344** sq ft of commercial floorspace and capital receipts of **£4,868,632**.

*** All ‘jobs created’ numbers are estimates calculated using the Employment Density Guide 3rd Edition, published by the Homes and Communities Agency, November 2015. Please note this is the latest guidance available, and the published date as being pre-COVID-19 and before the Planning Use Class reforms of September 2020. All figures calculated using sq ft from planning application or final net internal area (NIA) if known.*

14. Our Targets for 2023/24

We have defined what good looks like in the areas of strategy, marketing and promotion, management and capital receipt and income by setting ourselves the following targets in 2023/24.

14.1. Strategy

Review the Sale Strategy for the sale of land assets in the Council’s Economic Infrastructure portfolio.

TARGET: **April 2023**

14.2. Marketing and Promotion

Review the Marketing and Promotion Strategy for the sale of land assets in the Council's Economic Infrastructure portfolio and realise capital receipts.

TARGET: **May 2023**

14.3. Management

Undertake monthly inspections of development sites in the interests of proactive property management. For example, to ensure site boundaries are clearly defined and secure, to address fly-tipping and site access roads are maintained etc.

TARGET: **Monthly**

Where appropriate, ensure that all service charge arrangements are in place and being implemented.

TARGET: **December 2023**

14.4. Capital Receipt and Income

Monitor market conditions and maintain asking prices by the preparation of market valuations.

TARGET: **Ongoing**

15. Land Schedule

All the sites on the attached map at [Appendix B](#) are held within the Council's Economic Infrastructure portfolio, having been developed historically by the service (including under previous organisation structures) for the purpose of being disposed of as economic development sites. As such, the principal objectives for the sites are to promote job creation and grow the economy in Lincolnshire.

Any sites not on the attached schedule, and not currently being actively marketed, will need a business case to determine whether they can be marketed as economic development sites. As part of the business case process the site will have been declared surplus to requirements on the basis that they are not required by any other LCC Directorates.

16. Service Charge

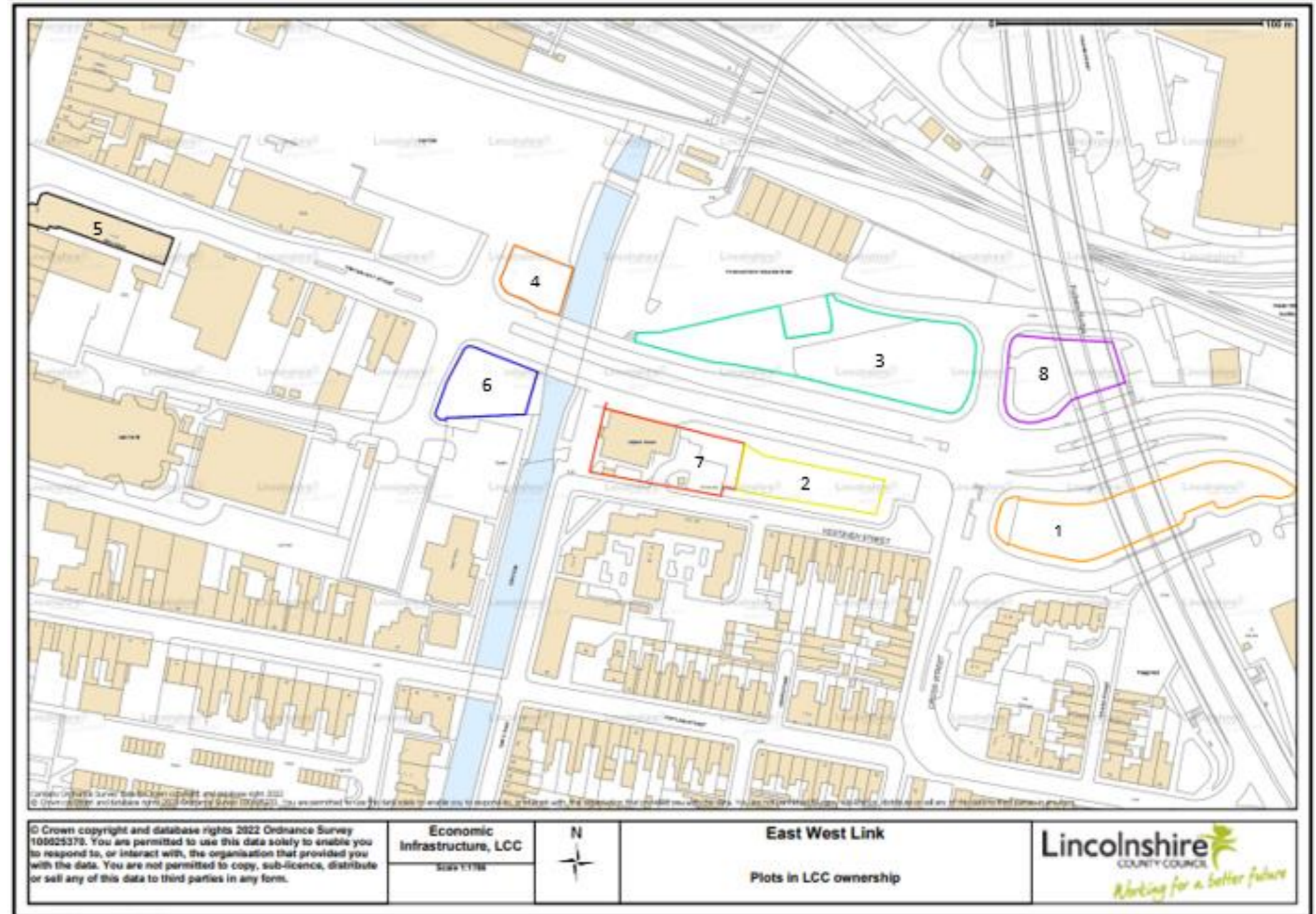
Some of our sites include areas of shared spaces, for example verge landscaping, or non-adopted assets that service the estate such as streetlighting and highways. This is currently the case at two sites where all the freehold plots have been sold. These are Foxby Lane Business Park in Gainsborough where we have sold 6.04 acres and Kirton Distribution Park Phase 1 in Kirton where we have sold 21.56 acres.

List of Appendices

Appendix A. Schedule

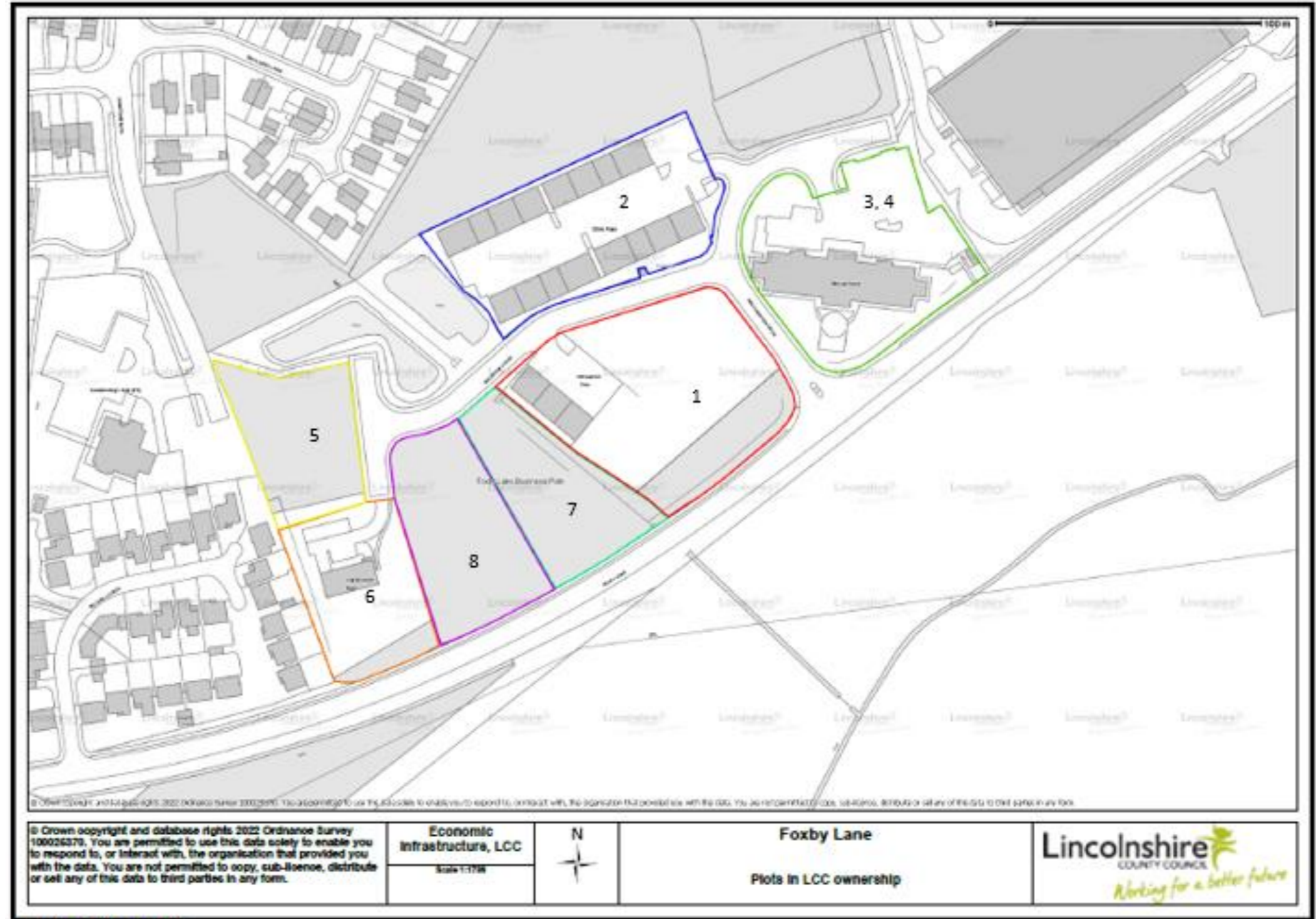
East West Link, Lincoln

Plot	Size (acre)	Status	Date of sale
1	0.48	Available	N/A
2	0.19	Sold	December 2020
3	0.70	Available	N/A
4	0.11	Available	N/A
5	0.15	Sold	2019
6	0.18	Sold	May 2019
7	0.30	Developed by LCC	2012/2013
8	0.26	Available	N/A
Total	2.37		



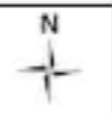
Foxby Lane Business Park, Gainsborough

Plot	Size (acre)	Status	Date of sale
1	1.29	Sold	April 2021
2	1.30	Sold	July 2019
3	1.15	Developed by LCC	2008
4			
5	0.53	Sold	December 2022
6	0.65	Sold	January 2021
7	0.54	Sold	May 2022
8	0.58		
Totals	6.04		



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Economic Infrastructure, LCC
Scale 1:1750



Foxby Lane
Plots in LCC ownership

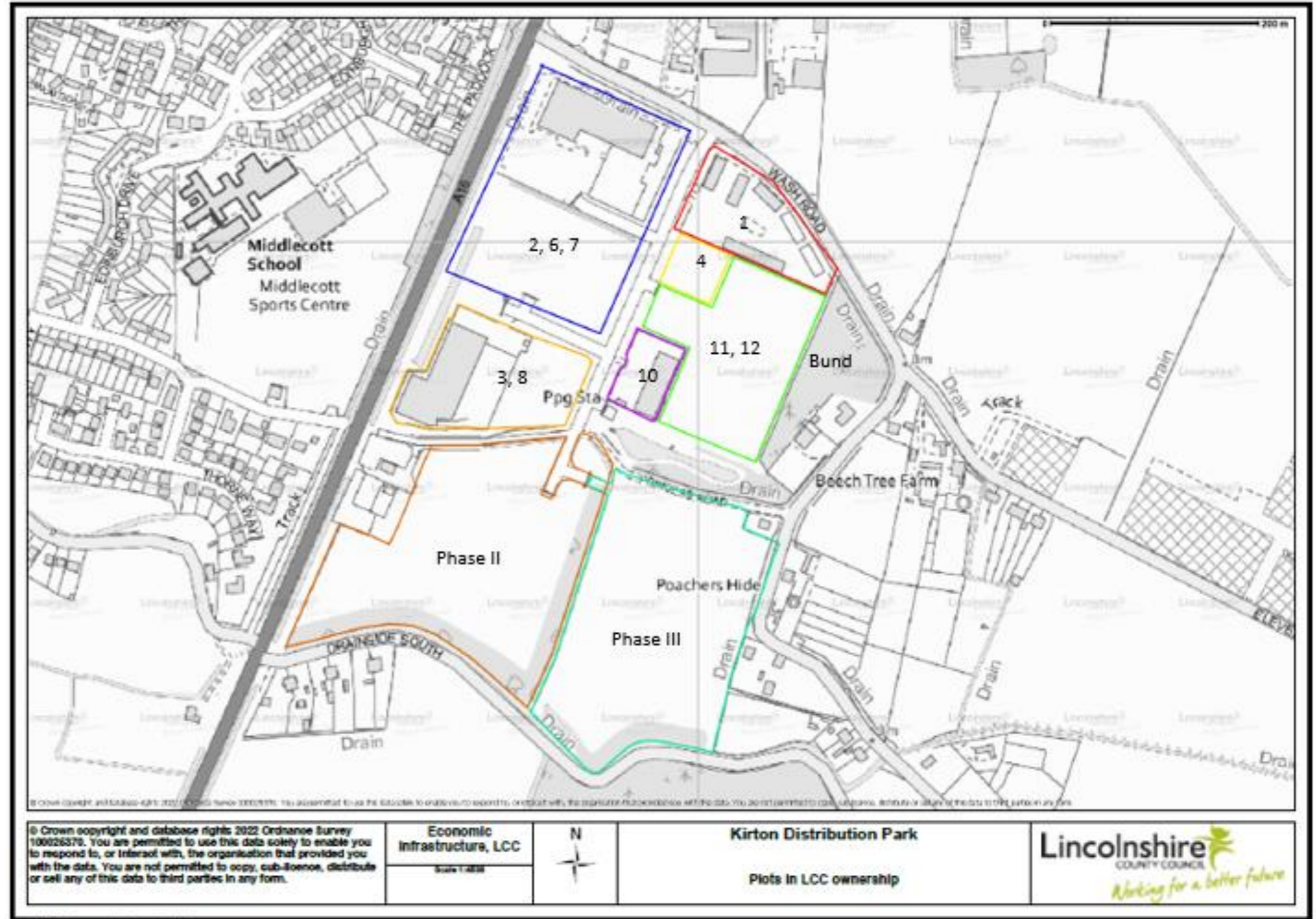


Kirton Distribution Park, Kirton

Phase I

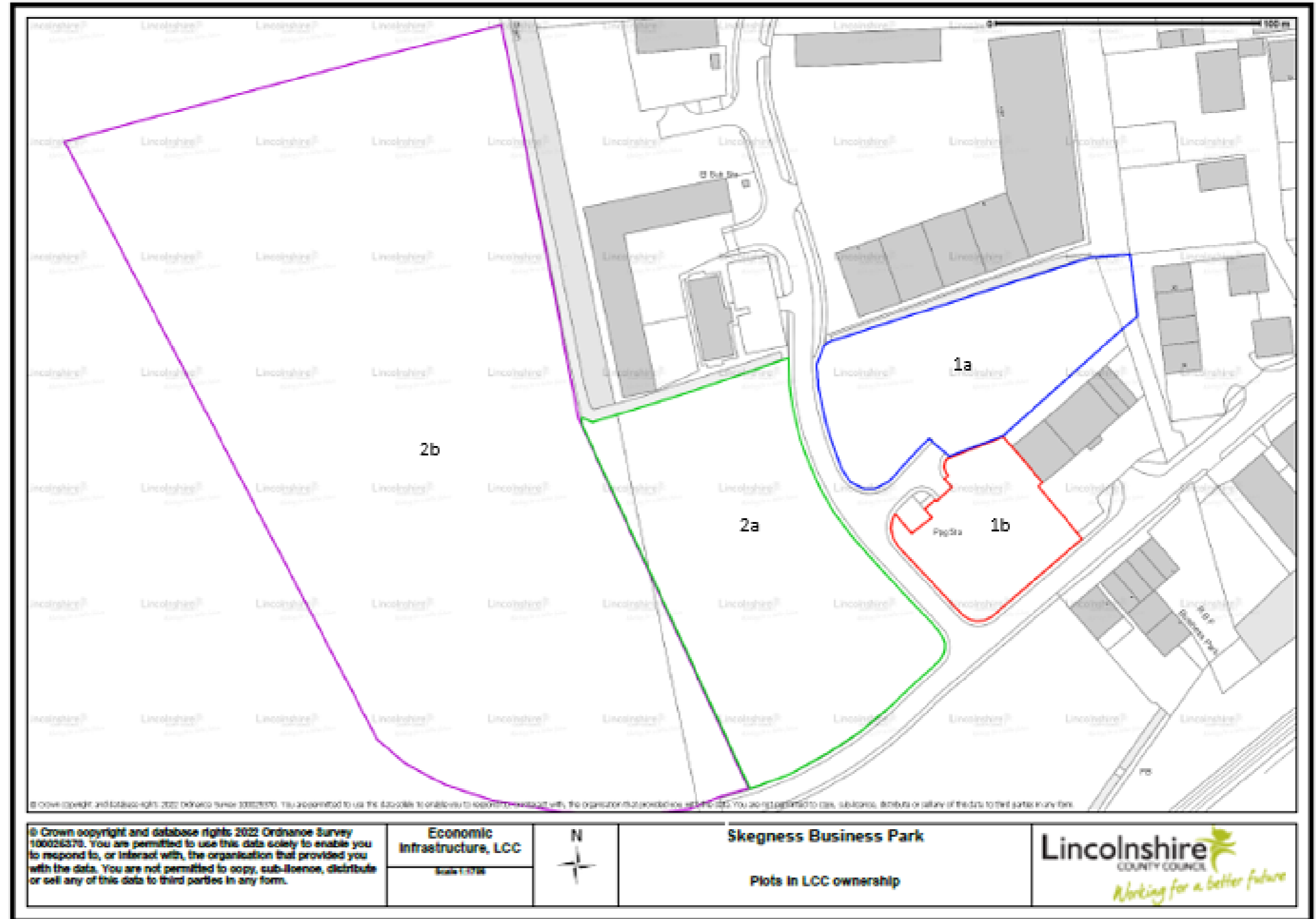
Plot	Size (acre)	Status	Date of sale
1a	0.33	Sold	May 2013
1b	1.80	Sold	September 2018
2	4.03	Sold	October 2015
3	2.06	Sold	February 2015
4	1.16	Sold	September 2018
6	3.33	Sold	December 2015
7			
8	1.59	Sold	May 2016
10	0.93	Sold	December 2016
11	2.60	Sold	January 2021
12	1.53		
Bund	2.2	Sold	Apr 2019
Total	21.56		

Phase	Size (acre)	Status	Date of sale
II	10.16	Under Offer - SSTC	N/A
III	10.28	Under Offer - SSTC	N/A
Total	20.44		



Skegness Countryside Business Park, Skegness

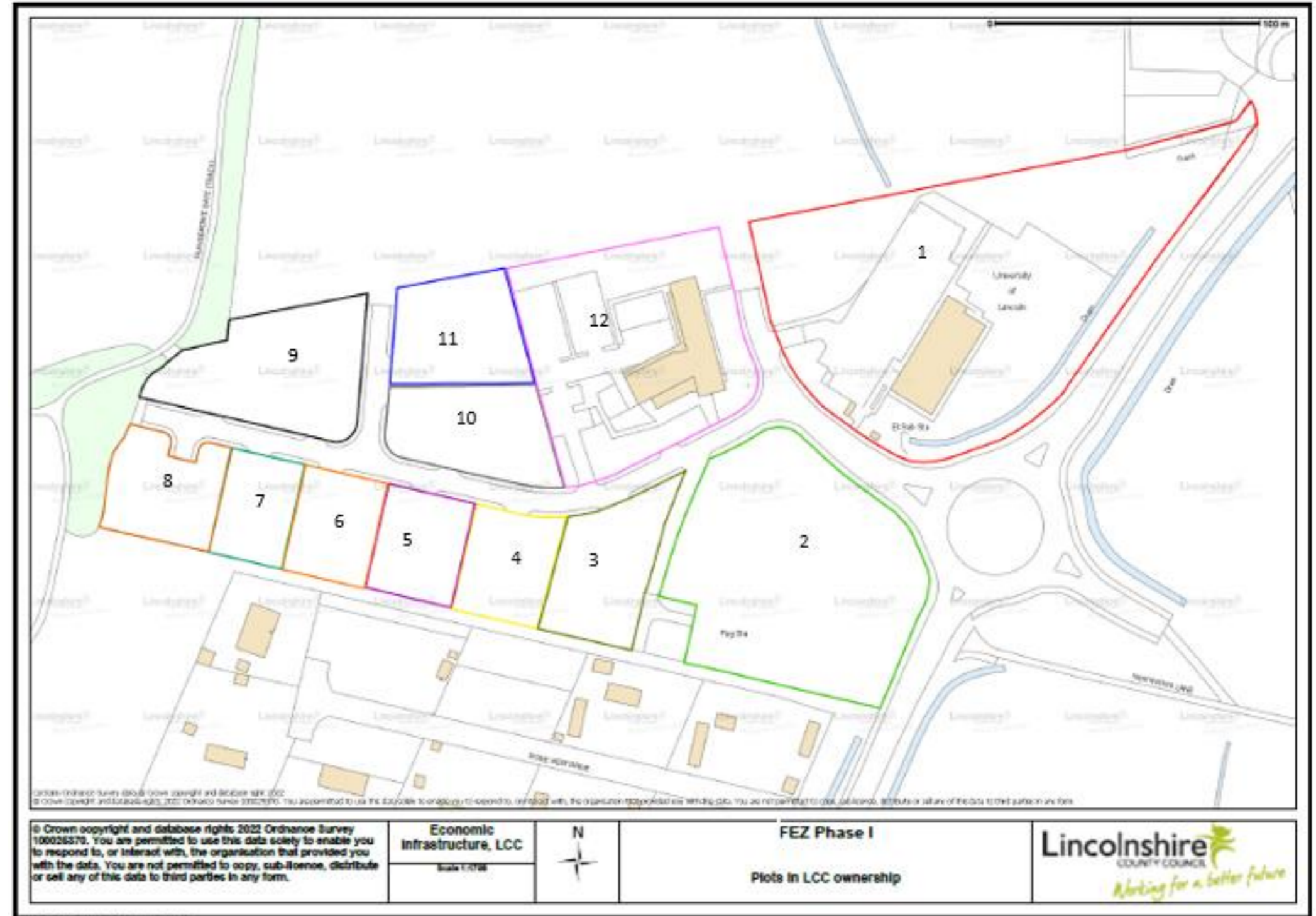
Plot	Size (acre)	Status	Date of sale
1a	1.72	Sold	October 2021
1b	1.23		
2a	2.10	Available	N/A
2b	7.30	Available	N/A
Total	12.35		



South Lincolnshire Food Enterprise Zone, Holbeach

Phase I

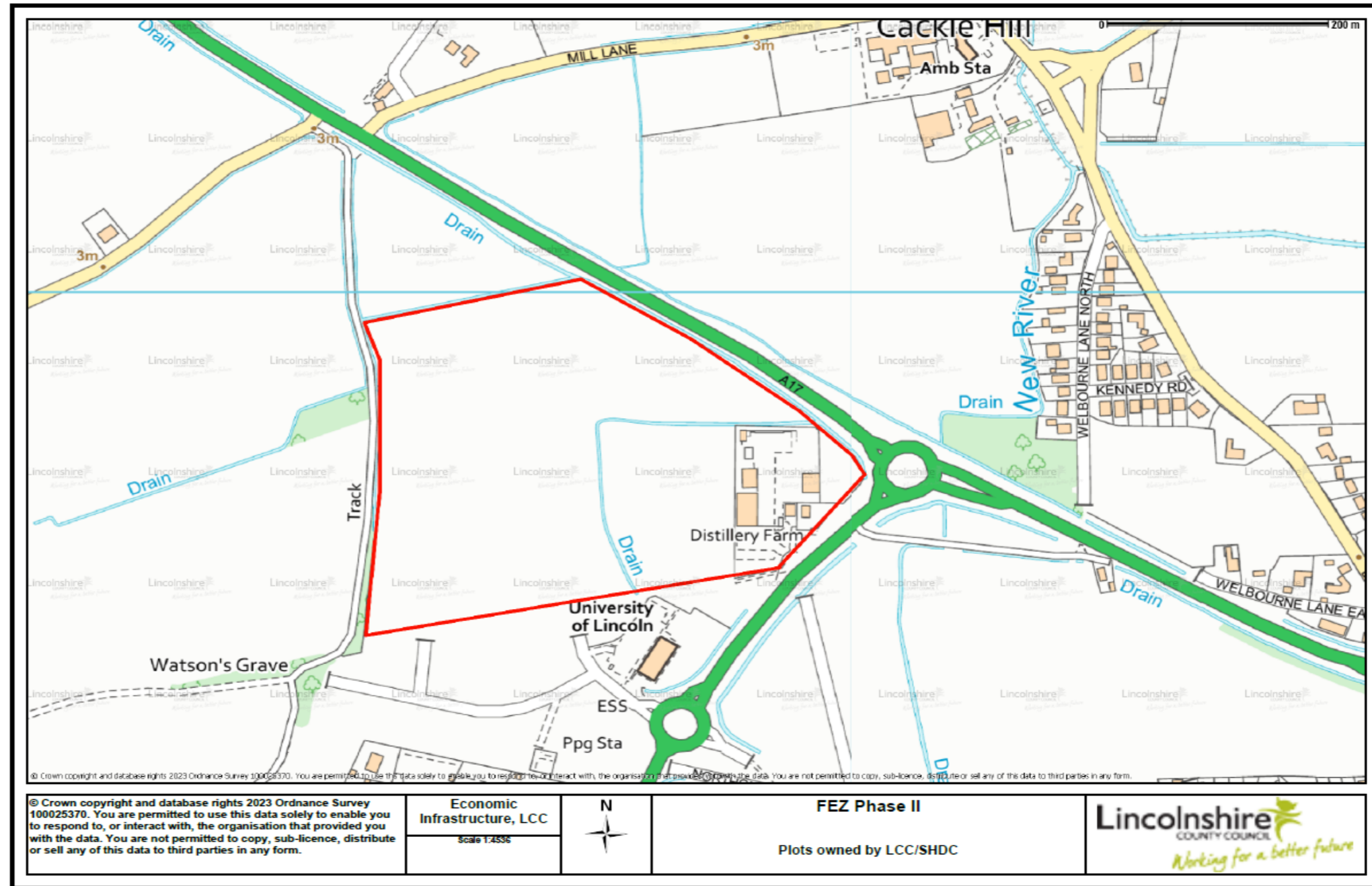
Plot	Size (acre)	Status	Date of Sale
1	2.8	Sold	June 2019
2	1.63	Available	N/A
3	0.37	Sold	August 2022
4	0.37		
5	0.37		
6	0.37	Available	N/A
7	0.37	Available	N/A
8	0.43	Available	N/A
9	0.68	Sold	April 2022
10	0.67	Available	N/A
11	0.61	Available	N/A
12	0.98	Operational	July 2022
Total	8.78		



South Lincolnshire Food Enterprise Zone, Holbeach

Phase II

Plot	Size (acre)	Status	Date of sale
1 to 13	19.52	Available Soon	N/A
Total	19.52		



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Economic Infrastructure, LCC
Scale 1:4536

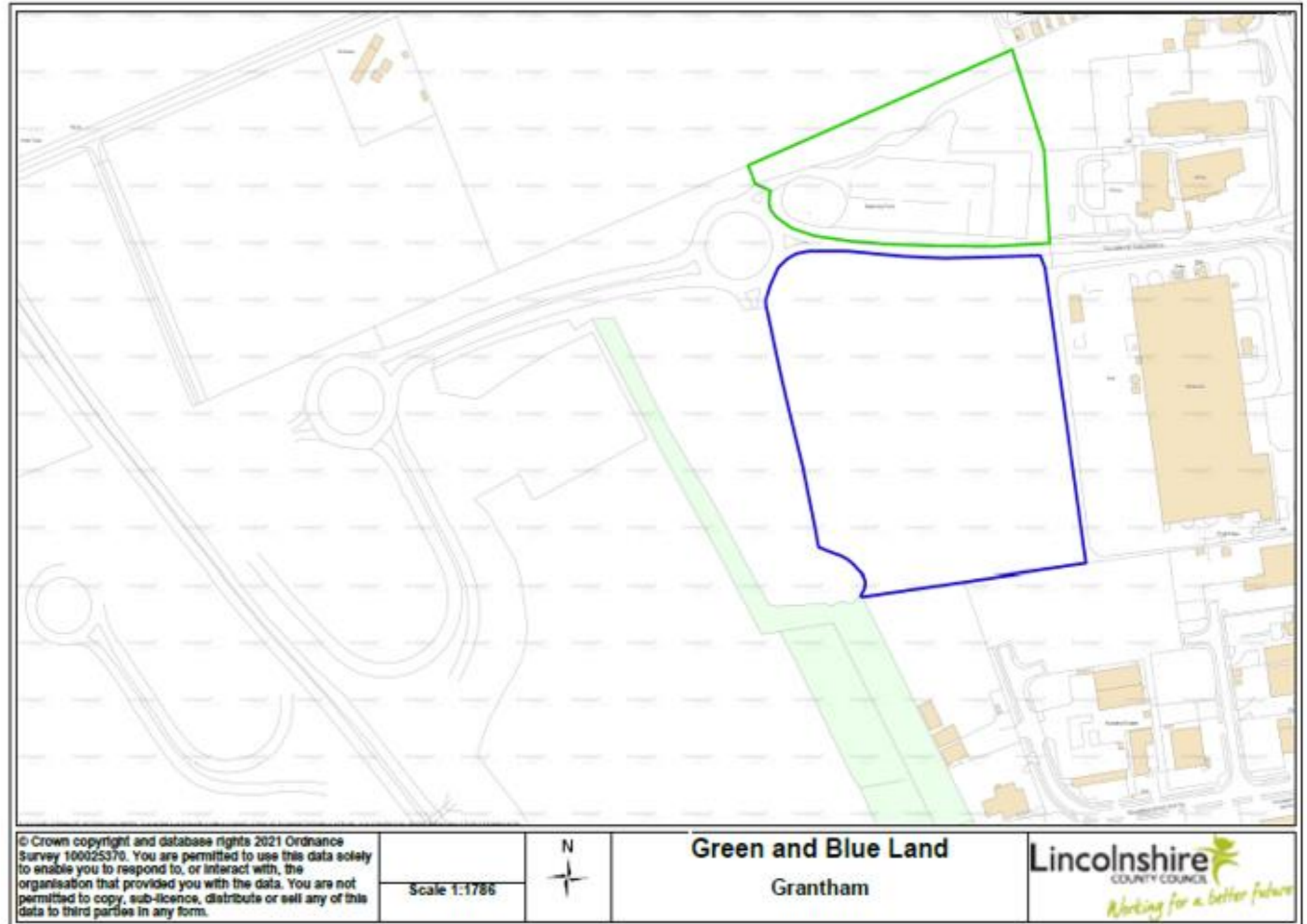


FEZ Phase II
Plots owned by LCC/SHDC



Spitalgate Heath Business Park, Grantham

Plot	Size (acre)	Status	Date of sale
1	7.16	Available from 2025	N/A
2	12.38	Available	N/A
	19.54		



Appendix B. County Map

Click the link below to be taken to an interactive map, where you can filter by District to see what assets there are around the county.

[Economic Infrastructure Portfolio Assets](#)



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