



## Officer Decision Record

### 1. Subject and details of the matter (to include reasons for the decision)

Approval is sought to sell a parcel of land on the Stallingborough Industrial Development Site (SIDS) to a company called Myenergi. Myenergi are already an 'anchor tenant' for the site and have signed an agreement to lease on an adjacent plot. As part of the lease agreement, they had an option on the target land and now wish to acquire the land and design and construct their own building rather than lease.

Pursuant to the Cabinet meeting 14th December 2017 where delegated authority was given to then Director of Economy and Growth in conjunction with the Portfolio Holder for Regeneration, Assets, Skills and Housing to take all actions necessary to secure the continued implementation of the South Humber Industrial Investment Programme (SHIIP).

One of the key projects of SHIIP is the provision of 64 hectares of serviced development land at SIDS. As part of this construction on the A1173 commenced in February 2020 and included the provision of a new roundabout and spurs to access the site as well as widening the carriageway. The supply of utilities such as power, water, and gas etc commenced at the same time. Both the road improvements and the utilities will be completed by February 2021.

In order to 'kick-start' the site North East Lincolnshire Council (NELC) were successful in winning funding of £950,000 from the Humber Local Enterprise Partnership (HLEP) to create a generic 15,000 sq. ft building. Construction of this building started in March 2020.

NELC were approached by Myenergi, a rapidly expanding local company, who were looking for a suitable site with potential for expansion. An Agreement to Lease was signed in March 2020 and Myenergi are due to take occupation March 2021. Due to their rapid expansion, what was meant to be an office/production unit will now become their Head Office/Research facility as they now need a much larger production unit of around 40,000 sq. ft on the adjacent plot. In addition to acquiring the land for Phase 2 they would take out another option on an additional two acres of land on the adjacent plot.

Jones Lang LaSalle (JLL) have negotiated on behalf of NELC and the outcome is an agreed price of £120,000/acre. JLL have advised that NELC accept this price as the best reasonably obtainable.

By disposing of this plot NELC are demonstrating a track record of working with occupiers to deliver new floor space as well as supporting a relatively new SME with considerable growth potential. An additional building on the site will attract new investors and give new and existing investor enquiries confidence in the site and in NELC's ability to deliver. It will mean that a drainage pond will need to be on a different part of the site than was shown on the indicative outline planning permission plans, and officers are working on this operational matter.

## **2. Is it a Key Decision as defined in the Constitution?**

No

## **3. Details of Decision**

To sell the land at the agreed price of £120,000/acre to Myenergi.

## **4. Is it an Urgent Decision? If yes, specify the reasons for urgency Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.**

No

## **5. Anticipated outcome(s)**

To proceed with the disposal of 2 acres of development land at SIDS to Myenergi at £120,000 per acre.

**6. Details of any alternative options considered and rejected by the officer when making the decision**

None

**7. Background documents considered**

Cabinet on 14 December 2017 approved the following:

DN. 79 -(2) That authority be delegated to the Director of Economy and Growth, in conjunction with the Portfolio Holder for Regeneration, Assets, Skills and Housing, to take all actions necessary to secure the continued implementation of SHIIP.

**8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons**

No

**9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)**

N/A

**10. Monitoring Officer Comments (Monitoring Officer or Deputy Monitoring Officer)**

Whereas the Council is statutorily bound to achieve the best consideration reasonably obtainable (s123 LGA 1972) this transaction has not been subject to any marketing exercise in order to test the local market. However, the proposed transaction is supported by JLL (national agents supporting the Council in delivery of SHIIP) and the price reached is consistent with local market forces and values. The wider benefits of the transaction are clear and appropriately laid out in this record. "Consideration" need not be based on monetary value. The additional anticipated returns will not necessarily be matched or beaten in an open market test. In the Monitoring Officer's view, the anticipated transaction is appropriate and compliant with the Council's statutory obligations.

**11. Section 151 Officer Comments (Deputy S151 Officer or nominee)**

The proposed sale will generate a capital receipt of £240k, less costs of sale, that can be utilised on the Council's Capital Investment Programme. Further, any expansion of businesses will generate additional business rates receipts as well as increasing job opportunities to the area

#### **12. Human Resource Comments (Strategic Workforce Lead or nominee)**

There are no HR issues contained within this report

#### **13. Risk Assessment (in accordance with the Report Writing Guide)**

Failure to sell the land to Myenergi would have a significant negative financial impact on the SHIP income forecast as Myenergi are a rapidly expanding international business with substantial growth expectations.

#### **14. Decision Maker(s):**

Name: Sharon Wroot

Title: Executive Director Environment,  
Economy and Resources

Signed: REDACTED

Dated: 11th February 2021

#### **15. Consultation carried out with Portfolio Holder(s):**

Name: Councillor Callum Procter

Title: Portfolio Holder for Economic  
Growth, Housing and Tourism

Signed: REDACTED

Dated: 09 March 2021

#### **16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor**

Name: N/A

Title: N/A

Signed: N/A

Dated: N/A