

CABINET

A meeting of Cabinet was held on Thursday 14 March 2024.

Present: Cllr Robert Cook (Leader), Cllr Nigel Cooke (Cabinet Member), Cllr Lisa Evans (Cabinet Member), Cllr Clare Gamble (Cabinet Member), Cllr Mrs Ann McCoy (Cabinet Member), Cllr Steve Nelson (Cabinet Member) and Cllr Norma Stephenson OBE (Cabinet Member).

Officers: Mike Greene, Reuben Kench, Ged Morton, Eddie Huntington, Chris Renahan, Julie Butcher and Peter Bell.

Also in attendance:

Apologies:

CAB/80/23 Evacuation Procedure

The Evacuation Procedure was noted.

CAB/81/23 Declarations of Interest

There were no declarations of interest.

CAB/82/23 Minutes

Consideration was given to the minutes of the meeting which was held on 15 February 2024

RESOLVED that the minutes be approved and signed as a correct record by the Chair.

CAB/83/23 Procurement Plan / Higher Value Contracts & Social Value Update Report

Consideration was given to a report that sought approval for the award of planned higher value contracts where the value exceeds the limit on officer delegated authority and which were either funded within the approved MTFP / Capital Programme or were subject to a bid for external funding.

The report also included an update on progress against the Social Value Policy approved by Cabinet last year.

RESOLVED that:-

1. The contracts listed in Annex 1 of the report be approved.
2. Authority be given to the relevant Director or Assistant Director to make the specific contract award decision and any subsequent contract variation, annual inflationary uplifts (where allowed in the contract terms and conditions) and extension decision in accordance with the delegations listed in Annex 1 of the report.

3. Progress be noted on social value.

CAB/84/23 Stockton-on-Tees Agreed Syllabus for Primary Religious Education (RE)

Consideration was given to a report on a recommendation from the Agreed Syllabus Conference to purchase a new primary RE syllabus.

SACRE was required to review the agreed syllabus every five years. Following consultation and review, the Agreed Syllabus Conference unanimously voted to put forward the following recommendation for approval by Cabinet.

RESOLVED that:-

1. A new agreed syllabus be purchased from RE Today, licensed for 5 years for all the primary schools that need it (42).
2. The package of support be purchased which will ensure that schools have access to the professional development and resources they require to deliver the syllabus effectively. (see Appendix 1 for detail)

CAB/85/23 Durham Lane Industrial Estate Redevelopment

Consideration was given to a report that provided Cabinet with an update on the vacant employment land at Durham Lane Industrial Estate that the Council purchased with Indigenous Growth Fund (IGF) monies in July 2021 in order to safeguard the site and bring forward development. A preferred developer had been selected to deliver a business park, subject to completion of legal contracts. The report sought authority to dispose of the land to the developer.

In January 2020, Cabinet approved the acquisition of vacant, undeveloped employment land at Durham Lane Industrial Park at Market Value to safeguard strategically important employment land. The site was purchased in July 2021 for £2.8m using IGF monies. Durham Lane was a key element of the Council's IGF Strategic Initiatives Programme which sought to promote inward investment, unlock employment land, support existing business growth, and be a catalyst for economic growth and job creation across the borough.

Since July 2021, numerous site surveys along with an options appraisal had been commissioned in order to better understand the sites opportunities and constraints; essentially completing due diligence to make the site more attractive to a developer.

In summer 2022 Knight Frank were appointed as the Council's land agents following an engagement process. DWF were also appointed as the Council's legal advisors using the NEPO framework. It was agreed following advice from DWF that the site should be dealt with as a land disposal as The Public Contracts Regulations 2015 would not apply, but that certain conditions should still be included as part of the land transaction to ensure the Council's aspirations for the site are delivered and to minimise risk to the Council.

Knight Frank marketed the site on behalf of the Council to attract a developer. They advised on the strategy and produced a marketing brochure which was supported by an SBC Design Code for the site. The site was marketed between May and July 2023 via a mailshot to potential developers and agents, Knight Frank, EG Propertylink,

Rightmove Commercial and Invest Stockton-on-Tees websites, and in the Estates Gazette, accompanying website and dotmailer to their subscriber list which boasts UK coverage. The advert had a really good response with 28 enquiries received, with several requests for access to the Data Room which held detailed information on the site including the topographical, archaeological, drainage, flood, ground investigation and ecological surveys that had been completed since SBC purchased the site.

Interested developers were requested to submit an initial bid proposal for the site by 12th July 2023. 5 Expressions of Interest bid proposals were submitted for consideration which Knight Frank considered a good response. The 5 bid proposals were shortlisted to two by SBC, Knight Frank and DWF based against a criteria of requested information to demonstrate the bidders financial resources, track record and proposed delivery of a scheme at Durham Lane. A period of competitive dialogue and interviews took place in October, and in November a developer was selected as the Council's preferred development partner.

The preferred development partner was recommended by Knight Frank as they can demonstrated their ability to develop on a magnitude similar to Durham Lane and had a knowledge of end users of a scale and size from outside the North East which would be beneficial to attract to the site. The developer's ambitions were also more aligned with the Council's in terms of removing obstacles to efficient development, improving the offer of the estate and they aimed to achieve BREEAM excellent rated buildings. They had a strong 'in-house' and external professional team and the financial information provided also demonstrated that they were the stronger company with greater financial resources to call upon than most of the other parties. Detail of the preferred developer partner was commercially sensitive and was included at Exempt Appendix A of the report. It was proposed that the land was drawn down to the preferred development partner under the terms set out in the Development Agreement.

The preferred developer was working with the Council and key partners, at risk, to better understand Durham Lane's opportunities and constraints and develop the masterplan. An Exclusivity Agreement had been signed with the preferred developer until 31st March 2024 whilst the legal contracts were being drawn up. They had committed to submitting a planning application soon after the agreement was signed and intended to deliver the project on a phased basis. They had committed to defraying £3m IGF grant monies by March 2026 on infrastructure improvements to unlock the land for development.

Initial Heads of Terms had been provisionally agreed by both parties and lawyers were working to complete a Development Agreement. The detail was commercially sensitive and included as Exempt Appendix A.

The development of the strategically important, vacant employment land at Durham Lane will attract inward investment, support existing business growth and allow the Council to realise additional economic value as a result of job generation and social value through our partnership approach with the preferred developer.

The Council was committed to maximising the impact of its public expenditure for the benefit of the local economy, the environment and wider society and communities, and this was being delivered through embedding strong Social Value policies through our partnership approach with the preferred developer. Social Value was an ability to determine and measure what was created as added value through a contracts and

commissioning processes, considering more than just the financial transaction but what added benefits the Council wished to achieve.

The preferred developer had committed to delivering social value objectives and would be required to prepare an Employment and Skills Plan.

RESOLVED that:-

1. The disposal of land at Durham Lane Industrial Estate be approved on a phased basis to the preferred developer, in accordance with the details outlined in this report and Appendix A and in accordance with the Development Agreement subject to recommendation 2 below.
2. Delegate authority be given to the Assistant Director - Inclusive Growth and Development in consultation with the Leader of the Council and Cabinet Member for Regeneration and Housing, to agree the detailed terms of the disposal and the Development Agreement.
3. Cabinet note that any money received from the sale of the land is required to be spent in line with the TVCA IGF criteria.

CAB/86/23 Exclusion of the Public

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

CAB/87/23 Durham Lane Appendix A Exempt

At this point in the meeting Cabinet discussed the exempt information that was associated with the Durham Lane Industrial Estate Redevelopment item.