



Council

Monday, 2 March 2026

Subject: Scampton Expression of Interest

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| Report by: | Director of Planning, Regeneration & Communities |
| Contact Officer: | Sally Grindrod-Smith Director Planning, Regeneration & Communities sally.grindrod-smith@west-lindsey.gov.uk |
| Purpose / Summary: | This reports seeks approval for the submission of an expression of interest for the purchase of former RAF Scampton in partnership with the Council's development partner 'Scampton Holdings Limited'. |

RECOMMENDATION(S):

1. That Council approve the submission of the expression of interest with Scampton Holdings Limited and delegate final completion of the expression of interest documentation to the Director of Planning, Regeneration and Communities in consultation with the Leader of the Council.

IMPLICATIONS

Legal:

The site of former RAF Scampton under Land Registry title number LL4288990 has been declared surplus by the Home Office and listed for sale on the open market.

The Council has the power to:

- (i) acquire the site pursuant to section 120 of the Local Government Act 1972.
- (ii) dispose of the site pursuant to section 123 of the Local Government Act 1972.

A procurement exercise compliant with Public Procedure Rules was completed in 2023 and the Council selected Scampton Holdings Limited (SHL) as its development partner for this project. A Development Agreement, with Non-Development Buy Back Option has been drafted by DWP Law and worked on by both parties. The agreement can be finalised once full details of the disposal are available.

The Council have twice previously approved the submission of an expression of interest into the site acquisition process via a public sector disposal route. The site is now being disposed of on the open market and expressions of interest are sought by 6th March 2026.

Should the Council be successful in acquiring the land, it would immediately be sold to SHL at the same cost of acquisition (Back to Back). The delivery of the regeneration will be contracted through a Development Agreement and Non Development Buy Back Option. This means that if the plans do not progress the Council has the option to buy back the site (or a phase of the development) from SHL at market value.

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : FIN/165/26/CL/SL

Within the current approved Capital Programme there is £4,750,000 allocated for the purchase of the former RAF Scampton site. This is funded by the Investment for Growth Reserve (we are also investigating alternative financing streams); with the assumption the site would then be sold onto the Council's development partner at the cost of acquisition paid by the Council and therefore generate a capital receipt. It is anticipated that stamp duty will be subject to sub sale relief if the transaction of acquisition and sale occur on the same day (back-to-back transaction) and therefore result in no financial cost to the council.

If the cost were to be higher than £4,750,000, further consideration would need to be given to how the additional costs are funded. The final total purchase cost would be recovered from the Council's Development Partner.

The costs incurred (actuals plus commitments) and funded from the Investment for Growth (IFG) reserve, from 2022/2023 to date total **£728,744**, this includes all previous costs associated with the Council's challenge of asylum use on the site.

Costs of £300,000 are to be recovered from Scampton Holdings Ltd. once the development agreement is signed, which will be returned to the IFG reserve. The balance remaining of the IFG reserve earmarked for Scampton expenditure is currently **£348,056** (including the recovery of £300,000). Legal costs incurred relating to the process of acquisition and sale will be funded from this reserve, as will any costs associated with professional valuations and commercial advice. At this point the reserve is deemed sufficient to meet these costs.

(N.B.) All committee reports MUST have a Fin Ref

Staffing :

There are no additional staffing implications arising from this report. This work will continue to be developed by existing resources at West Lindsey District Council and the Central Lincolnshire Local Plans Team, with support where necessary from DWF Law, Cushman and Wakefield, Lincolnshire Legal Services, and 31Ten.

There may be a requirement for further external advice and guidance and the funds are in place if required.

(N.B.) Where there are staffing implications the report MUST have a HR Ref

Equality and Diversity including Human Rights :

There are no equality, diversity and human right issues arising from this report.

Data Protection Implications :

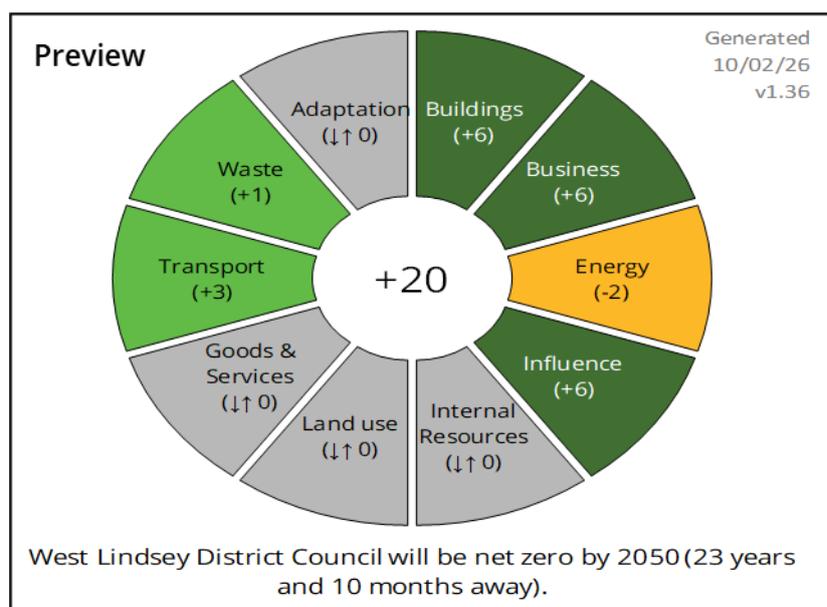
There are no data protection implications arising from this report. Work regarding the future of former RAF Scampton has been subject to Freedom of Information requests and responses supported by the Council's Data Protection and Freedom of Information Officer.

Climate Related Risks and Opportunities :

The site masterplan produced by Scampton Holdings Limited was assessed to demonstrate how the scheme will deliver net zero development including offsetting of existing homes on the site.

The proposed masterplan proposed the use of a Combined Heat and Power system to sustainably fuel the site. The masterplan seeks to reuse as many of the existing buildings on the site as possible and to establish a sustainable travel plan.

Aviation related uses will have an impact, and work is ongoing to consider sustainable aviation fuels.



Section 17 Crime and Disorder Considerations :

There are no direct implications from this report.

Health Implications:

The masterplan proposes uses that will have a positive impact on health and wellbeing. For example, walking heritage trail, sustainable links to existing community and significant opportunity for employment and skills delivery

Title and Location of any Background Papers used in the preparation of this report:

- CP&R – 14th April 2022: Approval for submission of expression of interest for potential acquisition of RAF Scampton
- CP&R - 15th December 2022: Approval to progress to next stage of site purchase
- CP& R – 9th February 2023: Appointment of Scampton Holdings as Development Partner
- CP&R – 12th December 2024: Approval for submission of acquisition expression of interest

Risk Assessment :

The project risk assessment has been updated to reflect the current position and is included at appendix 2. This is considered commercially sensitive at this stage.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

X

No

Executive Summary

This report seeks approval for the Council to submit an expression of interest to the Home Office, via their agents, Newmark, for the acquisition of former RAF Scampton. The expression of interest would be submitted jointly with the Council's Development Partner, Scampton Holdings Limited (SHL)

At this stage of the process the expression of interest only requires high level detail, setting out the principles of the Council and SHL's proposal. No financial offer is required.

The Council, working with the Home Office have jointly recommissioned the District Valuer to secure an updated valuation from the 2022 work. This valuation would inform a financial offer, should the initial expression of interest be successful.

1 Introduction

- 1.1 Since the announcement that RAF Scampton would close in 2018 the Council have been working with partners to secure a sustainable and productive future for the site.
- 1.2 Previous experience of particularly challenging Ministry of Defence (MOD) site disposals in West Lindsey that have a negative impact on communities initially drove this work.
- 1.3 Subsequently, as an improved understanding of the commercial and economic opportunity afforded by the regeneration of the Scampton site emerged, it was clear that the Council might consider options for intervention which would provide a more certain and positive future for the site and the economic fortunes of the district, Lincolnshire and beyond.
- 1.4 In February 2022 the MOD declared RAF Scampton as surplus to operational requirements and listed the site on the government's Electronic Property Information Mapping Service (ePIMs). Working closely with the MOD, the Council decided to make an expression of interest for the potential acquisition of the site.
- 1.5 Having explored a number of options to secure the regeneration and redevelopment of the site, the Council, by way of a compliant procurement exercise sought to contract with a development partner that would have the financial capacity and shared vision to lead the redevelopment works.
- 1.6 This work was delivered during 2022/ 2023 and at a meeting of Corporate Policy and Resources committee in February 2023 Scampton Holdings Limited were appointed as the Council's Development Partner, to deliver the masterplan agreed through the procurement exercise. This was subject to contract and completion of the site acquisition process.
- 1.7 The Development Partner's masterplan remains appropriate and relevant. The masterplan has a vision *'to preserve, protect and enhance the site of Scampton, for the benefit of the people of Lincolnshire by providing aviation heritage, business, aerospace, technology and education opportunities'*.
- 1.8 The masterplan has four focus points that research has shown will provide the best possible outcome for the site and the best value for the local community. At the heart of the proposal is the continued use of Scampton as an operational airfield, which will assist in enabling four congruent business areas:
 - Commercial activity, aerospace, aviation and defence
 - Heritage

- Hospitality and tourism
- Education and research

- 1.9 The proposed delivery model at that time was for the Council to acquire the land from the MOD and through the finalisation of a 10-year Development Agreement with a Non-Development Buy Back Option to secure delivery and the Council's interest, sell the site to SHL in a back-to-back transaction.
- 1.10 Just as the approval was given to proceed with the development Agreement and site acquisition, the Home Office took ownership of the site for asylum accommodation purposes.
- 1.11 Members will be familiar with the litigation and challenge that ensued and ultimately led to the reversal of the decision to use the site for asylum purposes on 5th September 2024. This decision was reconsidered during 2025 and again resulted in a decision in October 2025 not to utilise the site for asylum purposes.
- 1.12 In December 2024 the site was declared surplus to requirements and the Council were asked by the Home Office to make an expression of interest via ePIMS.
- 1.13 Following significant and well document scrutiny into the Home Office asylum accommodation strategy and associated costs, it was decided that a marketing exercise was required to determine best value for the future of the site. This process has taken 12 months and on Monday 2nd February the site was listed for sale with expressions of interest due by Friday 6th March 2026.
- 1.14 Details of the marketing exercise can be found here: [Newmark](#) The site, the built assets, the heritage, the planning context, the sector growth opportunities are described in detail in the marketing materials.

2 Current Position and Options

- 2.1 Given the disposal will now follow an open market approach, a review of the options open to the Council should be considered.
- 2.2 In 2022 the Council agreed a set of key redevelopment and regeneration objectives. These objectives were:
- Comprehensive redevelopment of the entirety of the site including the community areas
 - Be led by a robust business case approach, testing the strategic, economic, financial, commercial and management case
 - Protect and enhance the heritage
 - Ensuring community engagement is at the heart of the masterplan for the future of the site

- Maximise economic benefits by developing opportunities for job creation, research and development and growth of the defence sector.

2.3 The masterplan and principles proposed by SHL still remains valid and whilst time has elapsed since the masterplan and regeneration objectives were agreed, they remain a relevant and useful framework against which to assess the options the Council has in front of it.

2.4 **Option 1: Do nothing.** The Council's work to establish the planning framework, highlight the opportunity for growth in the defence sector, position the significance of the airfield assets and the heritage of the site has been reflected within the marketing materials. The Council have the option to step away from the disposal process and await the outcome of the sale.

Proceeding with this option provides the Council with little certainty of the future of the site, nor the timescales for regeneration and redevelopment. We would be wholly reliant upon the controls within the planning framework to guide future development of the site.

If the Council decide not to progress, SHL would be likely to make bid for the site on the open market, however, their preferred delivery model is to work in partnership with the Council.

This option is not recommended because it does not provide the Council with certainty that the site will be regenerated in a timely manner, serving the best interests of the local community.

2.5 **Option 2: Seek to acquire but develop alternative proposal for delivery.** The Council could decide to step away from the partnership with SHL and look at alternative delivery models. Previous reports to Corporate Policy and Resources Committee have considered options such as a Council led approach and have always concluded that the risks associated would be too great for the Council to bear.

This option is not recommended because previous work has demonstrated that other delivery models are either not viable or considered too high risk for the Council.

2.6 **Option 3: Continue as planned with SHL as development partner.** Whilst SHL could bid for the site alone, and this has been discussed at length, it is concluded that a public / private approach to regenerating this site is key because:

- The next phase of work to finalise the masterplan and adopt through a statutory planning process is significant and developing this work in partnership provides the best chance of success in a timely manner.

- As civic place leaders the Council are well placed to bring together public sector partners such as other authorities, universities and statutory providers to engage in the master planning and regeneration process.
- Aligning and reflecting the priorities of the region into the plans for regeneration provides for best chance of success and will ensure any need for improvements to infrastructure external to the site are well embedded within plans for the region.

2.7 Having considered the options available to the Council, it is considered that delivering the masterplan and achieving the key objectives of regeneration and redevelopment will be achieved, in the timeliest way if the Council continue our strong working relationship with SHL and make a joint expression of interest.

3 Next Steps

- 3.1 With the publication of the marketing exercise the disposal process and timescales are much clearer.
- 3.2 The freehold of the entire site is offered for sale via informal tender. The Home Office have cited that they have a strong preference for unconditional offers for the whole site.
- 3.3 The process of sale is described as a three-stage process. This expression of interest stage being stage one, with a deadline of 6th March for submissions. Appendix 1 is the document required for submission and is considered commercially sensitive.
- 3.4 At stage 2 shortlisted parties will be invited to submit site proposal / summary business plan, financial offer and evidence of funding.
- 3.5 Stage 3 would be a clarification stage and the preferred bidder selected.
- 3.6 The Home Office have confirmed that they expect the transaction to be completed by November 2026.
- 3.7 In tandem to the disposal process an updated valuation report is being prepared for the Council and Home Office by the District Valuation office, which would inform any future financial offer.
- 3.8 The submission of a summary business plan at stage 2 with a financial offer would be the subject of a future committee decision.

Recommendation

- 1 That Council approve the submission of the expression of interest with Scampton Holdings Limited and delegate final completion of the

documentation to the Director of Planning, Regeneration and Communities in consultation with the Leader of the Council.