

REPORT FROM: Housing, Health and Economic Development Manager

TO: Brierfield and Reedley Committee

DATE 1st March 2016

Report Author: Julie Palmer
Tel. No: 01282 661039
E-mail: julie.palmer@pendle.gov.uk

**THE BOROUGH OF PENDLE (GLEN WAY, BRIERFIELD) COMPULSORY
PURCHASE ORDER 2016**

PURPOSE OF REPORT

The purpose of this report is to request the Brierfield and Reedley Committee to recommend the Executive to pass a resolution that would allow the Council to promote a compulsory purchase order to acquire land at Glen Way, Brierfield to enable comprehensive regeneration of the Brierfield Mills ('Northlight') to take place.

RECOMMENDATIONS

It is hereby recommended that the Committee RESOLVES to request that the Executive pass the following resolution:

- (1) To Make THE BOROUGH OF PENDLE (GLEN WAY, BRIERFIELD) COMPULSORY PURCHASE ORDER 2016 under Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 2004 and the Acquisition of Land Act 1981 (as amended)) for the acquisition of all interests in land and premises described in this report and on the site shown edged red on the Map in Appendix 1 to this report, for the purpose of securing the development, redevelopment and improvement of the Brierfield Mills complex through a heritage based mixed use scheme, in the expectation that such action will improve the social, economic and environmental wellbeing of the area.
- (2) Authorise appropriate officers of the Council to take any necessary steps to prepare the documentation required to make The Borough of Pendle (Glen Way, Brierfield) Compulsory Purchase Order 2016 under Section 226(1) (a) of the Town and Country Act 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 004 and the Acquisition of Land Act 1981 (as amended)).
- (3) Authorise officers of the Council to take any such steps as may be required to promote with a view to securing the confirmation and subsequent implementation of the above aforementioned Order, such steps are to include but not be exclusive to the following:-
 - Affixing the Common Seal of the Council to the Compulsory Purchase Order and Map

- the issue and service of all statutory notices
- the submission of all necessary documentation to the Secretary of State for Communities and Local Government in seeking to obtain confirmation of the Orders,
- continuing negotiations and approving agreements with land owners setting out the terms for the acquisition of their interests, as if a confirmed Compulsory Purchase Order had been in place
- agreeing in advance the withdrawal of objections to the Compulsory Purchase Order (where appropriate)
- assisting with relocation and re-settlement of the existing businesses that wish to relocate
- the presentation of the Council's case at any public inquiry or through written representations if this is appropriate
- representation of the Council's case at Parliament should Special Parliamentary Procedure be invoked as part of the confirmation process
- to make and affix the Common Seal of the Council to a General Vesting Declaration in respect of any part of the Order Land and to issue and serve any statutory notices relating thereto
- representation of the Council's case on compensation matters connected with this Compulsory Purchase Order to the Upper Tribunal (Lands Chamber)

REASONS FOR RECOMMENDATIONS

To make a Compulsory Purchase Order for THE BOROUGH OF PENDLE (GLEN WAY, BRIERFIELD) COMPULSORY PURCHASE ORDER 2016 in order to facilitate the comprehensive regeneration of the Brierfield Mills site for the provision of a heritage based mixed use scheme and to allow Officers to take all necessary steps to promote and seek confirmation of the compulsory purchase order.

ISSUE

1. The above Order relates to land located within the ward of Brierfield and adjoining the Brierfield Mill complex. The Order Land is bounded by Glen Way on the east and the Leeds and Liverpool Canal on the west and extends to 1.05 hectares (See Appendix 1).
2. The Order Land is comprised of four distinct parcels of land. The Council holds the freehold interest of the entire Order Land out of which long leases have been granted. The four parcels of land are as follows (1) land fronting Glen Way which is a hard standing yard area (currently in use) (2) at a lower level a substantial retaining wall and a further parcel of hard standing land (currently vacant) (3) a naturalised woodland area fronting the canal and (4) the northern access (Hollin Bank) into the site. The first three plots are contained in the same Lease and in the same ownership. This length of access road from Junction Street into the Brierfield Mill site is a private road.
3. The Council is now seeking to acquire the long leasehold interest to complete the site assembly, in order for a mixed-use regeneration and development scheme to be delivered.
4. The scheme is being promoted by Pendle Enterprise and Regeneration (Brierfield Mill) Limited (PEARL (Brierfield Mill)). This is a subsidiary of Pendle Enterprise and Regeneration Limited, which is the Council's joint venture company with Barnfield Investment Properties. Pendle Enterprise and Regeneration Limited has a proven track

record of delivering complex economic, commercial, leisure and housing development schemes within the Borough of Pendle.

5. The Order Land forms part of a larger area of land (the “Brierfield Mill Masterplan Site”), which is to undergo a multi million pound mixed use regeneration and development by PEARL (Brierfield Mill). The satisfactory implementation of the comprehensive development of this Grade II listed mill complex will not be possible without the acquisition of the Order Land. Upon successful acquisition of the land via voluntary agreement or via successful confirmation of the CPO vesting process, the Order Land will be disposed of to PEARL (Brierfield Mill) to allow the development to take place.
6. It was agreed by the Executive Committee in September 2014 that negotiations with the leasehold owners of the land commence (subject to funding) and to pay compensation as if a Compulsory Purchase Order (CPO) was in place. It was also agreed that initial steps to prepare a CPO be made.
7. The Council has been pursuing the acquisition of the leasehold interests within the site. Negotiations have been pursued with the owners of these outstanding interests, but their interests may prove difficult to acquire and will impede development if not acquired within realistic timescales. The owners who are affected are being offered compensation at open market value under the statutory code for their interest in land, and being offered compensation, as if a CPO is in place, which includes legal and disturbance payments. Negotiations will continue with the owners throughout the process to acquire outstanding interests by agreement.
8. One of the leaseholders has, without the Council’s formal written consent as freeholder, allowed a third party (or parties) into occupation of the parcel fronting onto Glenway. This land is currently used for the storage of steel shipping containers, car sales and other uses, in breach of covenant in the Lease. The interest held by the occupier(s) is not known, despite the Council making several requests to the leaseholder for information and several requests to remedy the breaches of covenant. Enforcement action is now to be pursued by the Council.
9. In the event of a failure to acquire the Order Land, the revised Brierfield Mills Masterplan would be compromised to the extent that full implementation of the Brierfield Mills Masterplan would not be possible. It is proposed to submit a formal planning application in this respect during the next few weeks. The recommendation would enable the Council to promote a CPO in respect of all legal interests in the Order Land.

Compulsory Purchase Order and Statement of Reasons

10. A strict statutory process must be followed to promote a compulsory purchase order, involving public notice and submission to the Secretary of State for confirmation. Before an order is confirmed, any interested party may make representations and the Secretary of State is likely to order that any objections are heard at a public inquiry, in the event that objections are made and not withdrawn.
11. For an order to be confirmed by the Secretary of State, the Council must make a compelling case in the public interest. Officers consider that the promotion of the Order makes such a case because it would enable comprehensive regeneration, development and redevelopment of the Brierfield Mills site to be progressed. The Council’s case is more specifically set out in the Draft Statement of Reasons (Appendix 2) annexed hereto, but a brief outline is set out below.

12. Brierfield Mills is a vacant Grade II listed Mill, with over 380,000sq ft. of floor space and extends to over 7 acres. It is a landmark mill and has been vacant since 2006. It occupies a canal side location and has a direct access link to junction 12 of the M65, offering immediate access to the national motorway network. The Mill was acquired in March 2012 by the Council and was subsequently leased to PEARL (Brierfield Mill).
13. The Brierfield Mills project, now known as 'Northlight' is one of the Council's flagship economic growth projects. The mill's re-use supports the Council's Jobs and Growth Strategy (2013) and its regeneration forms part of the M65 Corridor spatial area identified in Pendle's Core Strategy (adopted 17 December 2015), where the Council's strategic objectives are focused. The Mill site is located within a priority growth area for investment ('the Pendle Gateway') as identified in the Pennine Lancashire Investment Plan and its development as a growth hub is aligned with the Lancashire Strategic Economic Plan's 'Arc of Prosperity'.
14. In order to support PEARL (Brierfield Mill) vision for the site to create a new leisure, residential, employment quarter and a new destination in the region, a Masterplan for the site by David Morley Architects was produced. It was launched at an open day/exhibition in the mill in November 2013, for public viewing and comment. The masterplan report was completed in January 2014.
15. The Masterplan has evolved and been refined as prospective end users/occupiers and investors have been identified and secured. This revised Masterplan (dated February 2016) proposes a variety of uses, including a leisure box facility with outdoor sports pitches, a hotel, apartments, training and adult educational facility, a microbrewery, café/restaurants, managed offices, a canal marina, together with car parking, public realm, infrastructure and landscaping works. The Masterplan has been costed at circa £31.8m and is being funded through a combination of public sector funding, private sector investment, and funds from Pendle Enterprise and Regeneration Limited.
16. The comprehensive scheme being taken forward is embodied in the revised Masterplan and encapsulated by various past planning consents, as well as current and forthcoming planning applications.
17. In February 2015, full planning permission was granted for a change of use of a number of key buildings on the site for a hotel, leisure use, 4 small retail units, a car park with landscaping, infrastructure and demolition works (ref no. 13/15/0019P). This was coupled with a listed building consent (ref no. 13/15/0020P) for external alterations to the Mill buildings and partial demolition of a north light roof.
18. PEARL has been in discussion with a number of end users, which has resulted in a series of further planning applications being submitted. Two planning applications (ref no. 13/15/0600P) and (ref no. 13/15/0603P) together with listed building consent applications were submitted in December 2015 and were to be considered by the Brierfield and Reedley Area Committee at its meeting on 1st March 2016. The former planning application sought consent for conversion and change of use of the High Bay Warehouse / Shed 1 to Sports Facilities (Use Class D2), together with external alterations to the cladding of the outbuildings, with landscaping, car parking, infrastructure and associated works. This included a proposal to create a new pedestrian footway and boulevard of trees bordering the short length of existing access road of Hollin Bank – which forms part of the Order Land.
19. A further planning application for the development of outdoor 3G sports pitches with flood lighting, a car park, fencing and associated landscaping is shortly to be submitted. This forthcoming planning application is of particular relevance to the Order Land, as it forms a major component of it. The 3G sports pitches will form part of the proposed 'Burnley

Football Club in the Community' leisure facility, which is planned for the High Bay Warehouse/ Shed 1 (Planning application Ref: 13/15/0600P).

20. The revised Masterplan (February 2016) identifies the Order Land for outdoor sports pitches, landscaping and car parking to serve the development. The car parking will serve as visitor / general car parking for the overall development and a new pedestrian footway and tree-lined boulevard will be created along the northern access route into the site. It is expected that the scheme would be built and designed to a specification that meets high quality design standards.
21. The Council believes that the proposed scheme for comprehensively regenerating this site and delivering a development, which provides much needed job opportunities, training/ skills facilities, hotel and residential accommodation, as well as leisure and visitor attractions, will taken as a whole, bring substantial economic, environmental and social benefits to Brierfield, Pendle, the sub region and beyond.
22. It will also address the northern gateway into the mill complex, which is visually poor and of low townscape value. It will positively enhance the appearance of the site; transform the local street scene and the attractiveness of the built environment. It will also improve the setting of the mill and the key arrival points to the mill complex from both the junction 12 link road (Hollin Bank) and from Glen Way. Pedestrian connections between Northlight and the adjoining Pendle Village Mill (a village mill retail outlet) will also be improved.
23. It will also complement the substantial regeneration and housing development activity that has taken place and is continuing in the wider Brierfield Canal Corridor Area and Railway Street neighbourhood (both Housing Regeneration Priority Areas), which began under the discontinued Housing Market Renewal Initiative. It will also serve as a major catalyst for further improvements to nearby rundown areas, providing confidence to encourage further private investment in the town.
24. Officers consider that there are no planning impediments to the Order Land development for a football pitch, car parking and landscaping. The proposed redevelopment is in line with PEARL (Brierfield Mill) revised Masterplan, as well as being in accordance with the Strategic Planning Framework, Pendle's adopted Core Strategy and other local plan policies, and the corporate priorities of the Council, including Pendle's Sustainability Community Strategy and it is intended that it will build upon previous successful regeneration efforts to further deliver social, economic and environmental benefits in the local area.
25. On the basis of the above, the Committee is recommended to pass the appropriate resolution enabling a Compulsory Purchase Order, to be promoted by the Council, as set out in the recommendation herein.

IMPLICATIONS

Policy: The proposals are in accordance with the current regeneration, economic growth, housing and planning policies adopted by the Council.

Financial: The financial risk to the Council will be controlled through existing policy and procedures. Provision has been made in the Council's Capital programme 2015/16 to meet the costs of buying the outstanding interests in the Order Land.

Legal: The CPO will be managed and processed in accordance with Compulsory Purchase legislation

Risk Management: Risk management would be controlled through the Council's existing procedures.

Health and Safety: All health and safety requirements will be observed throughout the scheme.

Sustainability: The Order will allow the Brierfield Mills complex site to be comprehensively developed, which will support economic growth and the long term sustainability of Brierfield.

Community Safety: The proposed development will remove a visually poor site at the entry points into the mill complex and routes into the town and will physically improve it to create a more attractive, livelier and safer street scene.

Equality and Diversity: The Northlight scheme will provide much needed jobs, as well as provide new community leisure facilities and training/educational opportunities particularly for young people and young adults.

APPENDICES

Appendix 1 - Map for the Compulsory Purchase Order

Appendix 2 - Draft Statement of Reasons

LIST OF BACKGROUND PAPERS

Report to Executive: 18th September 2014 - Acquisition of land adjoining Brierfield Mills ('Northlight')

Planning applications: ref no. 13/15/0600P, ref no. 13/15/0603P

Listed Building Consent applications: **Ref No 13/15/0601P and Ref Number: 13/15/0604P**