



**REPORT OF:** HOUSING, HEALTH AND ECONOMIC DEVELOPMENT SERVICES MANAGER

**TO:** EXECUTIVE

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## FOR INFORMATION

### PEARL JOINT VENTURE COMPANIES DEVELOPMENT PROGRAMME 2015/16

#### PURPOSE OF REPORT

To provide an update on progress of the PEARL companies and to inform members of the proposed programme of activity for 2015/16.

#### ISSUE

1. During 2014/15 PEARL completed the development of 14 new houses and the refurbishment of 18 existing houses on the Presbytery site in Whitefield for Great Places housing association. The scheme was shortlisted for the RICS North West Awards in the Regeneration and Residential categories and whilst we weren't a winner it is still encouraging to be shortlisted for such a prestigious award.
2. Work on the refurbishment of 11 properties at Albert Street in Whitefield was also substantially completed.
3. Considerable work has been put into acquiring funding and end users for Brierfield Mill to enable the ambitious masterplan to be delivered. A £30.4m scheme including acquisition of adjoining land, infrastructure, business units, hotel, leisure box, marina and residential is now close to delivery. Public sector funding of £8.2m has been secured in principle from the Lancashire Enterprise Partnership (LEP) Growth Deal, Lancashire County Council, Pendle Council and Regional Growth Fund Round 6. Work is now underway on due diligence and finalising funding agreements. A further £16.9m will be brought in from the private sector, including £1.6m from the Business Premises Renovation Allowance (BPRA) to deliver the hotel, activity centre and the residential. The residual £5.3m will need to be

provided by PEARL (Brierfield Mill) Ltd. The aim is for construction work to start in September.

4. The delivery of planned new housing schemes on Clitheroe Road and Bunkers Hill was slower than anticipated due to viability issues that needed to be overcome by redesign work. A funding bid was also submitted to the Homes & Communities Agency for loan funding for both schemes under the Builders Finance Fund programme. The bid was not successful for Clitheroe Road as the scheme did not meet all the lending criteria, such as minimum levels of lending. The application for Bunkers Hill has been withdrawn to allow for design changes and can be resubmitted. These schemes will be progressed in 2015/16.
5. A number of sites were identified as possible pipeline housing sites but after further investigation it was decided not to progress them due to a range of reasons including viability, location (e.g. greenbelt), and perceived lack of market interest. Although there has been some movement in the housing market over the last year it is still quite sluggish in many areas. During 2014/15 there were slow sales at Quaker Heights and Holden Road where only one sale was achieved during the year. However, one sale has already completed in 2015/16 and another is due to proceed in the next few weeks which is a positive start to the year.
6. Further housing sites have now been identified as potential pipeline sites and these will be investigated further over the coming months. PEARL will continue to work with Together Housing and Great Places to look at opportunities to deliver affordable housing, either as a standalone scheme or part of a wider development.
7. There are potentially around 230 housing units (houses and apartments) in the programme which could be delivered over the next 3 years. A number of factors will affect the speed of delivery including partner priorities, viability, planning permission, access to finance and speed of sales. We will also look to bring forward additional sites for delivery over the next 3 years.
8. Attached as Appendix 1 is a proposed development programme for 2015/16 across the PEARL companies showing milestones for delivery of schemes. The programme will be reported to the PEARL Boards on 20<sup>th</sup> May for approval.

## **IMPLICATIONS**

**Policy:** None directly arising from this report

**Financial:** None directly arising from this report

**Legal:** None directly arising from this report

**Risk Management:** None directly arising from this report

**Health and Safety:** None directly arising from this report

**Sustainability:** The Pearl projects have helped to bring vacant buildings back into use and seen the development of brownfield sites

**Community Safety:** None directly arising from this report

**Equality and Diversity:** None directly arising from this report

## **APPENDICES**

PEARL Companies Development Programme 2015/16

## **LIST OF BACKGROUND PAPERS**

None

**PEARL Group**  
**Proposed Development Programme 2015/16**

| Scheme                              | Total Development Cost | Activity   | Milestone Dates            |
|-------------------------------------|------------------------|--|----------------------------|
| <b>Current schemes</b>              |                        |  |                            |
| ACE Centre (PEARL)                  | £6.5m                  | Finalise lease arrangements between PEARL and Pendle<br><br>Market the centre for sale | June 2015<br><br>July 2015 |
| Shackleton Hall (PEARL)             | £2.049m                | Continue to market any vacant shop units and market the Arcade for sale                | Ongoing                    |
| Colne Shopping Centre (PEARL)       | £1.7m                  | Continue to market vacant units<br><br>Carry out improvements to the front facade      | Ongoing<br><br>July 2015   |
| Quaker Heights/Holden Road (PEARL2) | £9.313m                | Continue to market remaining properties (6 on Quaker Heights, 7 on Holden Road)        | Ongoing                    |
| Booth Street (PEARL2)               | £673k                  | Continue Marketing   | Ongoing                    |
| Albert Street Evens (PEARL2)        | £1.265m                | Complete refurbishment of 11 units   | April 2015                 |
| <b>New schemes</b>                  |                        |  |                            |
| Clitheroe Road (PEARL2)             | £6.8m                  | Sign a Development Agreement with Pendle Council                                       | Jul 2015                   |
| 46 units (subject to planning)      |                        | Start on site  | Sept 2015                  |
| Bunkers Hill Phase 2 (PEARL2)       | £2.7m                  | Complete site investigations and finalise scheme                                       | Jul 2015                   |
| 17 units (subject to planning)      |                        | Acquire LCC land<br><br>Submit a revised planning application                          | Sept 2015<br><br>Sept 2015 |

|  |                         |  |  |
|--|-------------------------|--|--|
| Carry Lane (PEARL2)<br>30 units (11 for the Trust and 19 for PEARL2 – subject to planning) | £3.3m (est)             | HCA approval to funding bid<br>Sign a Development Agreement with Peter Birtwistle Trust<br>Submit a planning application (reserved matters)<br>Start on site | Jun 2015<br>Jul 2015<br>Aug 2015<br>March 2016 |
| Bright Street, Colne<br>14 units (subject to planning)                                     | £1.9m                   | Finalise a revised scheme with Together Housing<br>(Subsequent progress will be dependent upon HCA funding to Together Housing)                              | June 2015                                      |
| <b>Brierfield Mill (Northlight)</b>  |                         |  |  |
|  | Whole scheme<br>£30.44m |  |  |
| Growth Deal funding  |                         | Sign Growth Deal agreement   | Jul 2015                                       |
| RGF6   |                         | Complete due diligence<br>Sign funding agreement   | May 2015<br>June 2015                          |
| Business Premises Renovation Allowance (BPRA)  |                         | Sign agreement with investors<br>Start on site   | Sept 2015<br>Oct 2015                          |
| Hotel development  |                         | Sign agreement with prospective owners<br>Start on site  | Jul 2015<br>Sept 2015                          |
| Apartments<br>60 units   |                         | Work with Evermore to finalise a scheme  | Sept 2015                                      |
| Access/Infrastructure  |                         | Council to work with LCC on the design of improvements to M65 Junction 12 to improve public realm in the area<br>Begin on site infrastructure improvements   | Jun 2015<br>Sept 2015                          |
| Adjoining sites  |                         | Begin negotiations to acquire  | May 2015                                       |

|   |     |   |                            |
|---|-----|---|----------------------------|
| Super Slow Way  |     | Work with the Steering Group to ensure funding is accessed for art activities   | Ongoing                    |
| <b>Potential pipeline schemes</b>                         |     |   |                            |
| Bankhouse Road, Bradley<br>60 units (subject to planning) | TBD | Work with partners including LCC, CCG and Together Housing to develop a viable Extra Care housing scheme and secure appropriate funding     | Ongoing                    |
| Former Colne Health Centre                                | TBD | Pendle Council to acquire the site<br><br>Work with Colne Member Officer Working Group to develop a commercially viable scheme for the site | July 2015<br><br>Ongoing   |
| Lomeshaye Extension                                       | TBD | Site confirmed as a Strategic Employment Site in the Core Strategy<br><br>Identify funding to develop road infrastructure                   | August 2015<br><br>Ongoing |
| Pendle Business Centre                                    | TBD | Look at options for the future use of the building  | July 2015                  |
| New housing sites   | TBD | Develop a 3 year pipeline of potential schemes, including affordable housing  | September 2015             |
| <b>Funding</b>  |     |   |                            |
| Funding opportunities                                     |     | Identify funding opportunities to deliver economic and housing schemes  | Ongoing                    |