

REPORT OF: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER

TO: EXECUTIVE

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**PEARL JOINT VENTURE COMPANIES
DEVELOPMENT PROGRAMME 2017/18**

PURPOSE OF REPORT

To provide an update on development activity carried out by the PEARL companies and to inform members of the programme of activity for 2017/18

RECOMMENDATION

To note progress and the 2017/18 Development Programme for the PEARL companies.

REASON FOR RECOMMENDATION

To keep the Executive informed of progress with the PEARL companies.

ISSUE

1. Our three Joint Venture Companies PEARL, PEARL2 and PEARL (Brierfield Mill) Ltd are now well established and each year the Boards agree a development programme for the year ahead. At their meetings on 19th June the Boards will be asked to agree the 2017/18 programme.

2016/17 Development Programme

2. During 2016/17 marketing continued for schemes that had been completed in previous years. The Colne Shopping Centre units have now all been let and the scheme is generating a good income for PEARL. Only one of the properties at the Quaker Heights scheme in Brierfield remains to be sold and at the adjoining Holden Road scheme there are three properties still to sell. It is hoped that now that work is underway on the nearby Brierfield Mill this will encourage sales of the final properties.

3. The office market remains challenging with occupancy of the offices on the upper floors of the Ace Centre remaining low. As agreed by Council on 20th October 2016 Pendle have bought the lower floors of the Ace Centre which has resulted in revenue savings to the Council but also helped PEARL's financial position.
4. Work is now underway on the first phase of the Clitheroe Road, Brierfield scheme which will see the development of 35 houses and bungalows. Work also started on the development of 12 bungalows for the Peter Birtwistle Trust in Colne.
5. PEARL continued to work with Together Housing to identify future opportunities for affordable housing. Further design work was carried out for the Bright Street site in Colne as the topography of the site has so far made viability difficult. It is now anticipated that this site can be brought forward.
6. At Brierfield Mill ('Northlight') construction work started in 2016/17 to create the new Lancashire Adult Learning Centre and the community leisure facility for Burnley FC in the Community. The Compulsory Purchase Order was also confirmed for adjoining land at Clitheroe Road which is needed to facilitate the scheme.
7. Over the year we also worked with the creative arts organisations Super Slow Way and In-Situ who have hosted a range of events at the mill. The largest of these was 'Shapes of Water, Sounds of Hope' which was held over 3 days in Sept-October. The event involved participation by 1700 people from the community bringing them together at the mill through traditional singing, Sufi chanting and a banquet attended by 500 people. It also involved a former mill workers event and interviews/filming with local people. Events such as this are helping to raise the profile of the mill nationally and internationally and also enable local people to have an ongoing involvement with the mill.

2017/18 Development Programme

8. Attached as Appendix 1 is the Development Programme for 2017/18 across the PEARL companies, showing milestones for delivery of schemes.
9. During 2017/18 the first homes on Clitheroe Road will be completed and marketed. PEARL will also complete the properties at Carry Lane for Peter Birtwistle Trust and begin to develop open market housing on the adjoining site which has been acquired from the Trust.
10. The Oak Mill site in Colne has now been acquired by PEARL2 and work will begin this year on developing 32 new houses on this prominent brownfield site.
11. Executive agreed on 8th February to transfer the former Colne Health Centre building to PEARL to develop a mixed use retail and residential scheme. PEARL will submit a planning application for the development shortly to enable the scheme to progress.
12. PEARL are working with Together Housing to develop a pipeline of sites that will enable 500 homes to be developed over a 5 year period across Pendle. This will include the development of housing for open market sale as well as for shared ownership and affordable rent. It will provide the opportunity for more profitable sites to cross-subsidise less viable ones as part of an overall package of development and will assist in bringing forward brownfield sites.

13. At Northlight work will be completed on the Lancashire Adult Learning Centre and the Burnley FC in the Community Leisure Facility. The land that has been acquired on Glenway under Compulsory Purchase action will be the location for the outdoor 3G pitch as part of the leisure scheme. The infrastructure contract has also been let which will allow for services to be put in place for the whole site and some initial landscaping works. Final landscaping will only take place when the major refurbishment works have been completed to ensure that they are not damaged.
14. Work is also expected to start this year on the residential element of the Northlight scheme, which will create around 60 apartments. This will be delivered jointly by PEARL (Brierfield Mill) and another residential developer with expertise in developing apartments in the north-west.
15. Negotiations are ongoing with a number of potential occupiers for the remainder of the mill. Depending upon the outcome of those negotiations other elements of the scheme may get underway during the year.
16. In Situ have submitted a funding bid to the Arts Council to convert the former garage building at Northlight into an Arts space. Subject to that bid being successful that conversion work will take place this year.
17. PEARL are also looking at opportunities to acquire and develop sites for commercial uses and this will be ongoing during the year. It is expected that any development activity on these potential new sites will take place in future years.

Conclusion

18. The Joint Venture arrangements are continuing to enable us to deliver schemes that would not be delivered by the private sector. Additional expertise, funding and risk sharing is also being brought in through the proposed new arrangements with another housing developer and Together Housing. This will increase our ability to deliver a range of housing and commercial schemes across the borough, many on brownfield sites.

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: None directly arising from this report

Community Safety: None directly arising from this report

Equality and Diversity: None directly arising from this report

APPENDICES

PEARL Group Development Programme 2017/18

LIST OF BACKGROUND PAPERS

None

**PEARL Group
Development Programme 2017/18**

Scheme	Activity	Milestone Dates
Current schemes		
ACE Centre (PEARL)	Continue to market the Enterprise Centre offices	Ongoing
Quaker Heights/Holden Road (PEARL2)	Continue to market the remaining properties on Quaker Heights and Holden Road	Ongoing
Clitheroe Road (PEARL2) 45 houses/bungalows	Begin marketing the scheme Fit out showhome on site	June 2017 October 2017
Carry Lane (PEARL2) 33 houses/bungalows (12 for the Trust and 21 for PEARL2)	Complete bungalows for Peter Birtwistle Trust Begin work on open market houses	October 2017 October 2017
Schemes due to start in 2017/18		
Oak Mill, Colne (PEARL2) 32 houses	Land acquisition completed Start on site	June 2017 August 2017
Former Colne Health Centre (PEARL2) Retail/apartments (subject to	Planning application submitted Start on site	June 2017 TBD

Scheme	Activity	Milestone Dates
planning)		
Brierfield Mill (Northlight)		
Leisure Box (Burnley FC in the Community)	CPO land vests with Pendle	August 2017
	Works to create 3G pitch begin	Sept 2017
	Construction work completed	Dec 2017
Lancashire Adult Learning Centre	Construction work completed	August 2017
Residential	Agree Heads of Terms with housing partner	June 2017
	Submit planning application	July 2017
	Start on site	October 2017
In Situ Art Space	Decision on Arts Council funding for garage conversion	July 2017
	Start on site with garage conversion	September 2017
	Construction work completed	March 2018
Other potential occupiers	Negotiate leases for the remaining parts of the mill	Ongoing
Pipeline schemes		
Housing Schemes	Work with Together Housing to agree a pipeline of schemes to deliver 500 units over 5 years	July 2017

Scheme	Activity	Milestone Dates
Commercial Schemes	Investigate opportunities to acquire and develop commercial sites	Ongoing