

REPORT FROM: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER

TO: POLICY AND RESOURCES COMMITTEE

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LOMESHAYE INDUSTRIAL ESTATE EXTENSION PHASE 2

PURPOSE OF REPORT

To seek agreement to progress with Phase 2 of the extension to ensure that the Local Growth Fund grant is not lost.

RECOMMENDATIONS

The Committee is asked to:

1. Agree to Liberata Property Services beginning negotiations with the landowner to acquire the Phase 2 land.
2. Agree that any offer is made and compensation is paid as if a Compulsory Purchase Order was in place.
3. Authorise initial steps to prepare a Compulsory Purchase Order.
4. Agree to undertake the necessary studies to enable a planning application to be submitted once the Development Brief is approved.

REASONS FOR RECOMMENDATIONS

To progress Phase 2 of the Council's Strategic Employment Site.

ISSUE

Background

1. The Executive were informed at their meeting of 22nd June 2017 that funding of £1.5m had been agreed, in principle, from Lancashire County Council (LCC) to help to bring forward

the Lomeshaye Industrial Estate Extension Phase 1, subject to the funding being matched by Pendle Council. In addition, they were informed that £4m had been secured from the Lancashire Enterprise Partnership (LEP) Local Growth Fund Round 3, subject to 10% match funding from Pendle Council, to deliver Phase 2 of the scheme.

2. The Executive agreed capital funding of £1.9m as part of the 2017/18 capital programme to provide match funding to the LCC and LEP funding. A supplementary capital estimate of £1.9m to be funded from capital receipts was subsequently approved by Council on 20th July 2017.

Phase 1

3. Subsequent reports to the Executive and this Committee have provided updates and sought various approvals in relation to Phase 1, including the making of a Compulsory Purchase Order (CPO). A Public Inquiry into the CPO was held on 26-28th June and a decision is now awaited from the Inspector. Irrespective of the outcome of the CPO we still need to progress with Phase 2.
4. A draft Grant Funding Agreement has been received from LCC for their £1.5m towards Phase 1 and this is being checked by Legal and Finance before signing.

Phase 2

5. The £4m funding from the Local Growth Fund towards Phase 2 has to be spent by March 2021. The funding is available for acquisition of the site and the provision of infrastructure, including roads and services, to allow the site to be developed for industrial use.
6. In order to secure the funding a detailed business case needs to be produced which will include details of the timescales for acquiring the site and putting in the infrastructure, the amount of land that can be brought forward for development, the floorspace that can be developed and the expected number of jobs that will be created. Current best estimates are around 36,000 sq m of floorspace and 1100 jobs.
7. The LEP have said that all projects that have received approval for Local Growth Fund need to have their business cases ready for submission to the Growth Deal Management Board meeting on 3rd October. At this meeting a recommendation will be made to the LEP Board for their meeting on 6th November. If projects cannot meet this deadline then there is a risk that the funding will be reallocated to other projects.
8. In order to meet the deadline for funding approval and subsequently deliver the project within the funding timescales (i.e. land acquired and serviced by March 2021) the Council must start to move the project forward now. If the Council can show progress on the scheme by the time the business case is submitted to the Growth Deal Management Board it will give the LEP more confidence that the Council can deliver the project.
9. The owner of the land for Phase 2 owns some of the land required for Phase 1 and there have been negotiations with him over that land. He is one of the objectors to the CPO. It is anticipated that a further CPO could be required for the Phase 2 land but the Council will need to begin negotiations with the landowner before a CPO is made to see if the land could be acquired through negotiation. Approval is sought to begin negotiations with the landowner and in order to support these negotiations that they be based on the owner being entitled to any compensation as if a CPO was in place, rather than just land value. Approval is also sought to begin the initial steps to prepare a CPO and a further report would be brought to the Committee, if required, seeking approval to promote a CPO.

10. At the last meeting of the Committee it was agreed that a consultation process should be undertaken on a Development Brief which will set the design context for the site. Any subsequent planning applications will need to have regard to the provisions of this Brief. It is proposed to submit a planning application after the Brief has been approved by the Committee, but in the meantime a range of studies will need to be undertaken to inform the application. Approval is sought to carry out this initial work so that a planning application can be submitted once the Development Brief is approved.

IMPLICATIONS

Policy: Bringing forward the extension to Lomeshaye Industrial Estate is in line with the Council's Local Plan, Strategic Plan and Jobs & Growth Strategy

Financial: Funding for the studies and subsequent planning application is available within the approved Capital Programme. Acquisition of land would need some of the Local Growth Fund so no acquisition could be completed until the business case had been approved by the LEP and a Grant Funding Agreement had been signed

Legal: The land could only be acquired at market value unless authorisation is given by the Committee to pay additional CPO compensation.

Risk Management: There is a risk of the Local Growth Fund being lost if a business case is not submitted in line with the deadlines set by the LEP and the LEP were not confident that the project could be delivered within the funding timescales.

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

Phase 2 Boundary

LIST OF BACKGROUND PAPERS

Report to Executive 22nd June 2017 – Lomeshaye Industrial Estate Extension