

REPORT FROM: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER

TO: POLICY AND RESOURCES COMMITTEE

DATE 18th SEPTEMBER, 2018

Report Author: Judith Stockton
Tel. No: 01282 661040
E-mail: judith.stockton@pendle.gov.uk

**THE BOROUGH OF PENDLE (LOMESHAYE INDUSTRIAL ESTATE EXTENSION,
PHASE 2) COMPULSORY PURCHASE ORDER 2018**

PURPOSE OF REPORT

The purpose of this report is to request the Policy and Resources Committee to pass a resolution that would allow the Council to promote a compulsory purchase order to acquire land to further extend the Lomeshaye Industrial Estate at Brierfield. This would facilitate the second phase of the proposed extension to the Industrial Estate, thereby safeguarding or creating up to an additional 1000 jobs. (The Council is presently promoting the CPO for the Phase 1 extension pursuant to a resolution of the Executive passed on 14th December 2017, which was the subject of a public inquiry held on 26th-28th June 2018).

RECOMMENDATIONS

It is hereby recommended that the Policy and Resources Committee pass the following resolution:

- (1) To Make THE BOROUGH OF PENDLE (LOMESHAYE INDUSTRIAL ESTATE EXTENSION, PHASE 2) COMPULSORY PURCHASE ORDER 2018 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 black on the Map in Appendix 1 to this report in order to deliver the second phase of the extension of the Lomeshaye Industrial Estate. The acquisition should enable the development redevelopment and improvement of the Lomeshaye Industrial Estate through enabling further industrial units to be developed on the site in the expectation that such action shall consolidate the benefits arising from infrastructure and environmental improvements related to any phase 1 extension and in any case shall improve the social and economic wellbeing of the area.
- (2) To approve the draft Statement of Reasons annexed to this Report and to authorise appropriate officers to make any amendments they consider reasonably necessary

before submission of the Order to the Secretary of State.

- (3) To authorise appropriate officers of the Council to take any necessary steps to prepare the documentation required to make The Borough of Pendle (Lomeshaye Industrial Estate Extension, Phase 2) Compulsory Purchase Order 2018 under Section 226(1)(a) of the Town and Country Act 1990 (as amended by section 99 of the Planning and Compulsory Purchase Act 2004 and the Acquisition of Land Act 1981 (as amended)).
- (4) To 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 Order.
 - 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).
 - 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).

REASON FOR RECOMMENDATIONS

To make a Compulsory Purchase Order to be known as 'THE BOROUGH OF PENDLE (LOMESHAYE INDUSTRIAL ESTATE PHASE 2, EXTENSION) COMPULSORY PURCHASE ORDER 2018'. This shall facilitate the second phase of the proposed extension of the Lomeshaye Industrial Estate. In so doing, it shall implement policies within the adopted Core Strategy, facilitate economic development and deliver corporate objectives. The recommendation shall also allow Officers to take all necessary steps to promote and seek confirmation of the compulsory purchase order.

Background

1. The Borough of Pendle (Lomeshaye Industrial Estate Extension, Phase 2) Compulsory Purchase Order 2018 ('the Order') relates to land located within the M65 Burnley/Pendle Corridor. The Order Land is adjacent to the Lomeshaye Industrial Estate and extends to 19.19 hectares (9.03 hectares of which are developable) (See Appendix 1). The matter was considered by the Executive on 22nd June 2017 when it was resolved that £400,000 of capital funding would be provided for phase 2 from the Capital Programme 2017/2018, which was confirmed by the Council on 20th July 2017. This would complement £4m LEP Growth Fund monies which need to be spent by March 2021. The Policy and Resources

Committee of 28th August 2018 resolved that payments for the voluntary acquisition of interests in the site should be made on the same basis as if a confirmed CPO was in place.

2. The Order Land, which is presently in agricultural use and includes a dwelling house, is in one single ownership (see paragraph 4 below). The Council is seeking to promote the Order so as to facilitate delivery of the phase 2 extension. It is anticipated that the Phase 2 area can accommodate approximately 36,000 sq m of new floorspace and be flexible enough to accommodate a range of unit sizes. The present Lomeshaye Industrial Estate operates at near full capacity and there is demand for businesses to locate within the Industrial Estate. It is anticipated that the units arising from any phase 1 expansion shall be occupied quickly.
3. The Core Strategy 2011-2030 (adopted by the Council in December 2015) allocates the extension of the Lomeshaye Industrial Estate as a Strategic Employment Site. The existing Estate presently houses approximately 100 businesses and employs 3,500-4,000 people. It is a key employment site for the Brierfield/Nelson area and beyond. It is attractive to firms wishing to locate to the borough, partly because of the ready supply of labour within the M65 Burnley/Pendle Corridor and partly because of the good connectivity to the motorway network that the M65 provides. It is anticipated that phase 2 alone would either safeguard or create up to 1000 full time equivalent jobs. This is in addition to the 400 to 500 jobs that are expected to be safeguarded or created through phase 1.
4. The Order Land comprises one plot within one private ownership. Land ownership is detailed in the schedule to the Order. The Council has been actively pursuing the acquisition of plot. Since the report in August formal negotiations have opened, but if it proves difficult to acquire title by voluntary acquisition, that could impede development, hence the need for a compulsory purchase order, in case negotiations fail. The owner affected is being offered compensation at open market value under the statutory code for their interest in land, and being offered compensation, as if a CPO was in place, which includes legal costs and disturbance payments. Negotiations will continue with the owner throughout the process to seek to acquire the title by agreement. The Council owns land adjoining the Order Land which is either already landscaped or else will be as part of the wider development.
5. In the event of a failure to acquire the Order Land, it would not prove possible to bring forward the site and carry out the required infrastructure works using public funding, to enable it to be developed. This would mean a failure to deliver not only on Core Strategy Policy WRK3 'Strategic Employment Site: Lomeshaye' (which allocated the extension of the industrial estate as a Strategic Employment Site) but also a failure to make a Pendle contribution to job growth targets as set out in the Lancashire Growth Deal 2015-2021 and a failure to deliver key corporate objectives for the borough, as set out in the Jobs and Growth Strategy for Pendle 2013-2023, the Borough of Pendle Strategic Plan (2018-2020) and the Vision 2030 set out in the Core Strategy 2011-2030. The recommendation would enable the Council to promote a CPO to acquire all legal interests in the Order Land and would enable the safeguarding or creation of up to 1000 jobs for phase 2 (in addition to the 400-500 jobs created or safeguarded through phase 1).

The Compulsory Purchase Order and Draft Statement of Reasons

6. 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.

7. 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 the delivery of the Phase 2 extension to the Lomeshaye Industrial Estate, which would be calculated to deliver jobs and improve the social economic and environmental wellbeing of the area. 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.
8. The Draft Statement of Reasons has been prepared in accordance with the latest Guidance from the Ministry for Housing Communities and Local Government published in February 2018.
9. The case for the Council is in three main areas. First, the case for promoting the Order is in accordance with the Strategic Planning Framework. This enables the Council to promote the Order under section 226(1) of the Town and Country Planning Act 1990 (as amended). This is to say that the proposals accord with the National Planning Policy Framework (2018) as well as the Core Strategy 2011-2030, in particular but not exclusive to Policy WRK3 'Lomeshaye: Strategic Employment Site'. Taken together the policies contained therein encourage economic development generally and specifically allocate the proposed extension of the Lomeshaye Industrial Estate as a site suitable for such development. An illustrative master plan has been prepared and a detailed Design Code has been prepared which shall (once consultation has concluded) be used to inform the appropriate planning application.
10. Second, the case for promoting the Order is designed to advance economic development. The proposals give effect to the strategies set out by the Lancashire Enterprise Partnership in the Lancashire Strategic Economic Plan 2015-2025 and the Lancashire Growth Deal 2015-2021. It also reflects the aspirations set out in the Jobs and Growth Strategy for Pendle 2013-2023. Taken together, these strategies are designed to boost economic growth within the borough and increase the number and quality of jobs created. It is recognised that Pendle needs to be able to accommodate both new and expanding firms - those that wish to relocate within the borough and those that are attracted to it from outside. It therefore needs to be able to offer industrial space of such size and quality that is well connected to both sources of labour and businesses. The M65 Burnley/Pendle Corridor which contains the Lomeshaye Industrial Estate offers these advantages. The Lomeshaye Industrial Estate is operating at virtually full capacity, whilst other employment sites in the borough such as Whitewalls, Riverside and West Craven Business Park are in a similar position.
11. Officers are of the opinion that any proposal that involved assembling the site and carrying out the necessary infrastructure works, would not offer a viable proposition for the private sector to be attracted to. The involvement of the Council (working in partnership with others) is therefore necessary to bring this about. This is underlined by the fact that the exercise of CPO powers is likely to be necessary in order to get a timely delivery of phase 2. This would allow the use of Lancashire Enterprise Partnership Local Growth Fund (Round 3) monies of £4m which requires the land to be acquired and serviced by March 2021. The promotion of the Order would enable the Council to meet funding deadlines for the project which is designed to maximise the benefits of economic growth and deliver jobs to the local community.
12. Third, the case for promoting the Order delivers on key corporate goals for Pendle as set out in the Jobs and Growth Strategy for Pendle 2013-2023 the Borough of Pendle Strategic Plan (2011-2020) and Vision 2030 as contained in the Core Strategy. These centre

around improving employment opportunities for the people of Pendle and maximising the chance for the community to benefit from improved economic growth.

13. 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 recommendations herein.

IMPLICATIONS

Policy: The proposals are in accordance with the current regeneration, economic growth, 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 Capital programme 2017/18 for the Council to provide the required 10% match funding (£400k) to the £4m LEP Local Growth Fund monies.

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

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 second phase of the Lomeshaye Industrial Estate extension to be comprehensively developed, which will support economic growth and the long term sustainability of Brierfield and Nelson, not least because the Industrial Estate operates as the main employment centre for these towns.

Community Safety: None as a result of this report.

Equality and Diversity: The Phase Two extension of the Lomeshaye Industrial Estate will provide new employment opportunities for Pendle residents.

APPENDICES

Appendix 1 - Map for the Compulsory Purchase Order

Appendix 2 - Draft Statement of Reasons

LIST OF BACKGROUND PAPERS

Report to Executive: 22 June 2017 'Lomeshaye Industrial Estate Extension'

Report to the Executive: 14 December 2017 'Lomeshaye Industrial Estate Phase 1 Extension (Compulsory Purchase Order)'

Report to the Policy and Resources Committee: 28 August 2018 'Lomeshaye Industrial Estate Extension Phase 2'