



REPORT OF: HOUSING, HEALTH AND ENGINEERING SERVICES
MANAGER

TO: POLICY AND RESOURCES COMMITTEE

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Report Author: Julie Whittaker
Tel. No: (01282) 661038
E-mail: julie.whittaker@pendle.gov.uk

PEARL JOINT VENTURE COMPANIES DEVELOPMENT ACTIVITY

PURPOSE OF REPORT

To provide an update on development activity being carried out by the PEARL companies. To seek approval to acquire the gasholder adjoining Brierfield Mill for subsequent disposal to PEARL

RECOMMENDATIONS

- (1) To note the ongoing and planned development activity of the PEARL Companies.
- (2) To approve the acquisition of the gasholder site adjoining Brierfield Mill subject to a back-to-back agreement being in place with PEARL (Brierfield Mill) Ltd to transfer the site and any development obligations.
- (3) To give delegated authority to the Corporate Director to agree the terms of the acquisition and subsequent transfer.

REASONS FOR RECOMMENDATION

- (1) To keep the Committee informed of progress with the PEARL companies.
- (2) To support the development of Brierfield Mill.

ISSUE

1. This report gives an update to the Committee in relation to the development activity of our four PEARL Joint Venture Companies over the past 12 months and what is proposed over the next 12 months.

PEARL/PEARL2/PEARL (Brierfield Mill)

2. Our three Joint Venture companies with Barnfield Investment Properties are well established and are continuing to deliver a range of schemes across the Borough.

Retail

3. All the retail space at Hartley Square (the former Colne Shopping Centre) has now been occupied with a local gym taking the space previously occupied by the Job Centre. Shackleton Hall Arcade in Colne had two units become vacant part way through the year but the units were quickly re-let and the space remains fully occupied.

Offices

4. There has been some turnover of office space at the Ace Centre over the year but occupancy is still low with 12 out of 33 units let and the office market remains challenging.

Housing

5. Work is underway on the second phase of the Carry Lane housing site in Colne, adjoining the Peter Birtwistle Trust bungalows. This scheme (known as Greenfields View) will consist of 21 houses for sale on the open market. There has been a requirement for significant groundworks at the site which has delayed the scheme and there has also been some redesign work to increase the number of 4 bed properties to better reflect current demand. It is anticipated that a showhome will be ready towards the end of 2019.
6. Work is continuing on the the Clitheroe Road, Brierfield (Foxhills) scheme which includes the development of 35 houses and bungalows. This has been a popular scheme with 11 properties sold and a further 15 either reserved or close to reservation.
7. Construction work is underway on a development of 32 houses at the Oak Mill, Colne site (known as Langroyd Place) with the showhome due to open in the next few weeks. There has been a high level of interest in these properties already even though formal marketing has not yet begun. PEARL are selling an area of land alongside the development to the adjoining NR Engineering to allow them to expand their business.

Brierfield Mill

8. At Brierfield Mill (Northlight) work was completed on the 'Leisure Box' community leisure facility for Burnley FC in the Community (BFCC). The Leisure Box houses an indoor 4G pitch, a sports hall, the biggest 'clip 'n climb' structure in East Lancashire, a kids and toddler play area, two full size cricket lanes, for-hire party rooms, a dance & fitness studio and a café. Several thousand people visited in the first few weeks after it became operational and it was formally opened in April 2019 by the Prime Minister. BFCC have obtained additional funding for an external 3G football pitch and they will be managing its construction.
9. 'The Garage' arts centre has been completed for In Situ. The Garage offers a permanent and innovative art workshop featuring a library, exhibition and events space, a community garden, a pop up cinema, and artists' accommodation. The opening launch weekend in November 2018 attracted over 250 people.
10. Work is underway on the creation of the first 36 apartments in the main mill. After discussions with potential partners it was decided that these would be developed solely

through PEARL. Marketing of the properties has begun and the first reservations are being taken.

11. Negotiations are underway with a range of potential users for the rest of the space.
12. The infrastructure works are continuing including the creation of canalside moorings and improving the appearance of the access route to the site from the M65. This is particularly important to encourage sales of the residential units.

Gasholder Site adjoining Brierfield Mill

13. On the route into Northlight from the M65 is a 1.4 acre site owned by National Grid which includes a redundant gasholder. National Grid are required to decommission and remediate all redundant gasholders. They would normally achieve this by removing the frame and the gasholder, removing any contamination to a level whereby the site could be used for parking or open storage and then filling in the void. They would then dispose of the site on the open market.
14. This is a prominent site and could be very detrimental to the scheme and wider area if it was bought by a private individual or company who allowed the site to fall into disrepair. In discussions with National Grid about the future of the site they have said that they are able to dispose of gasholder sites directly to a local authority, at market value.
15. As the site in Brierfield is within a Conservation Area Planning advice has been that the frame cannot be demolished. The main issue for whoever takes on ownership of the site will be the need to retain the frame and the ongoing liability for maintenance of the structure.
16. We have been having discussions with National Grid for some time to establish how best to deal with retention of the frame and whether PEARL could acquire the site. We are now close to reaching an agreement with them whereby they would remove the gasholder but not fill in the void or remediate the site. They would transfer the site to Pendle Council for £1, after removal of the gasholder, along with a one off payment for remediation (amount still being negotiated). There would be a requirement for Pendle to refurbish the frame and remediate the site. There would also be a requirement that a £75k deposit be paid by the Council on exchange of contracts, which would be refunded once the transfer took place. This is related to the fact that National Grid will only be doing demolition works at the site and if Pendle did not proceed with the purchase they would then have to let a further contract to complete the remediation works.
17. Pendle Council would be able, under the agreement with National Grid, to transfer the site to PEARL along with the one off payment. PEARL would then be responsible for filling in the void space and carrying out repairs and repainting of the frame (subject to any planning requirements). It is intended that the site would be used for car parking along with the potential for events to be held there, which is something that In Situ are keen to explore.
18. There would be a restriction on the sale of the land from National Grid to Pendle and subsequently to PEARL that would include an overage payment to National Grid if planning approval was granted for a more valuable use such as housing.
19. Prior to acquisition, PEARL would undertake further due diligence to establish any known contamination on the site and to indicate any potential future liabilities. Previous site investigations by National Grid have not highlighted any particular areas of concern.

20. It is proposed that Pendle Council acquire the site from National Grid, subject to a back-to back-agreement being in place with PEARL (Brierfield Mill) Ltd to immediately acquire the site from Pendle along with any development obligations imposed by National Grid. This would mean that any liabilities for the site, including the frame, would pass over to PEARL. The PEARL (Brierfield Mill) Ltd Board has agreed the principle of the acquisition, subject to further due diligence work.
21. If this was agreed it would ensure that the site did not get sold on the open market and potentially fall into disrepair and negatively impact on the Northlight development. Any future liabilities would be with PEARL.

New schemes to begin in 2019/20

22. Work will begin shortly on the demolition of the former Colne Health Centre. The site is currently in the ownership of Pendle Council and will be sold to PEARL after demolition. Planning permission has been granted for a new building with four retail units on the ground floor, 11 apartments on two floors above and some public realm works.
23. Peter Birtwistle Trust has agreed that they will purchase the apartments for older people's rented accommodation. The retail units will be retained by PEARL, at least initially, and rented out.
24. Policy & Resources Committee have previously agreed that PEARL2 will be the developer for Lomeshaye Industrial Estate Extension Phase 1. The land is due to vest with Pendle in August following a successful CPO and Pendle will then put in the initial road infrastructure before the site is sold to PEARL. PEARL are currently working with a potential occupier for a substantial part of the site.

PEARL Together

25. The new Joint Venture company between Pendle Council, Barnfield Investment Properties and Harewood Housing Society Ltd, part of the Together Housing Group has now been established. An initial pipeline of schemes was identified and these have now been prioritised so that the first schemes to be brought forward will be:

- Bailey Street, Earby (12 homes)
- Harrison Drive, Colne (79 homes)
- Further Clough Head, Nelson (200 homes)

All three sites are in Pendle Council ownership and have previously been declared surplus. The mix of house types and tenures is being finalised and planning applications will be submitted over the next few months. Further Clough Head has already obtained outline planning permission and will now need Reserved Matters approval.

Funding

26. The 2019/20 Capital Programme has a carryover of £379,510 from 2018/19 along with a budget of £200k for PEARL schemes making a total of £579,510. There is also £300k in the PEARL Development Reserve that will meet our commitments to the existing PEARL schemes.
27. A further £295,970 is in the Capital Programme as Contribution to Social Housing. This is the residual amount from the agreements over the use of Right to Buy receipts when the Council's housing stock was transferred to Housing Pendle (who are now part of the Together Housing Group). In previous years this funding has been used to support some

of the Together Housing schemes and can be used as Pendle's contribution (on the basis of a 15% contribution) into the PEARL Together Joint Venture.

IMPLICATIONS

Policy: None directly arising from this report

Financial: Included in the main body of the 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

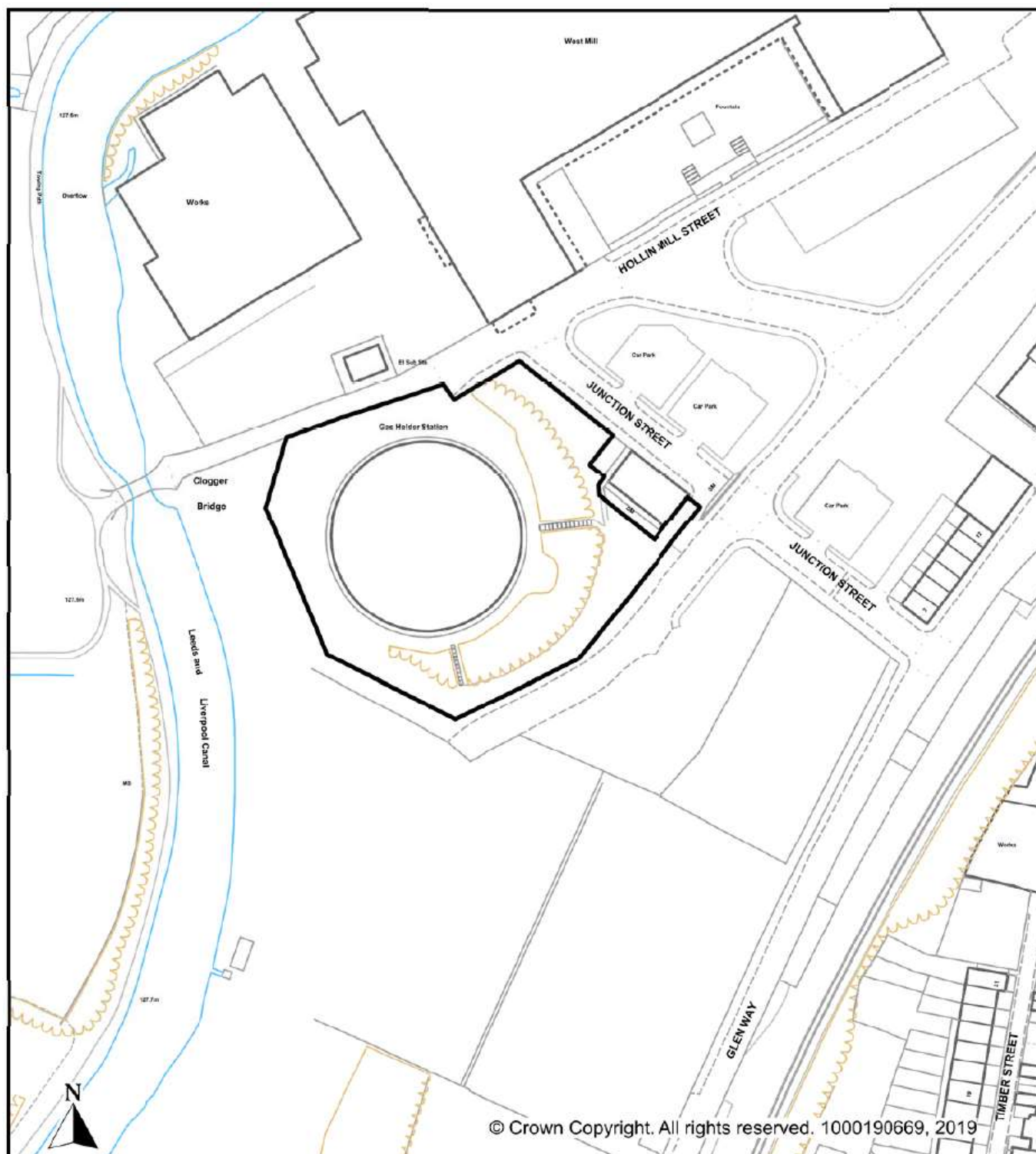
Equality and Diversity: None directly arising from this report

APPENDIX

Appendix 1 – Plan of Gasholder Site

LIST OF BACKGROUND PAPERS

None



Description

**SITE OF GASHOLDER, HOLLIN BANK,
BRIERFIELD**

AREA EDGED RED APPROX 0.52 ha.

Scale

1:1250

Drawing No.

BR/HB1

Drawn By

L.G.

Date

JULY 2019

CAD Reference

Borough of
Pendle
Liberata

Property Services

No. 1 Market Street,
 Nelson BB9 7LJ

Tel: 01282 878787

Fax: 01282 878993