

**REPORT FROM: HOUSING HEALTH AND ENGINEERING SERVICES
MANAGER**

TO: POLICY AND RESOURCES COMMITTEE

DATE: 28th October 2020

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**LOMESHAYE INDUSTRIAL ESTATE EXTENSION PHASE 1
DISPOSAL OF LAND**

PURPOSE OF REPORT

To seek approval to dispose of part of the site under a negotiated procedure.

RECOMMENDATIONS

The Committee is asked to:

1. Agree to dispose of the area of land shown in Appendix 1 to Mr Peter Heap with the value of the site to be agreed through a negotiated procedure.
2. Give delegated authority to the Chief Executive to agree the final value of the land
3. Agree that the disposal is subject to the signing of a Development Agreement to ensure that the requirements of funders are complied with.
4. Agree that if the land value and Heads of Terms of a Development Agreement are not agreed by 30th November 2020 and legal agreements are not in place by 31st January 2021 that the land is sold to PEARL2 as previously agreed.

REASON FOR RECOMMENDATIONS

To ensure early development of the site in line with the requirements of funders.

ISSUE

Background

1. The Executive agreed at its meeting on 15th March 2018 that PEARL2 would be the developer for the Lomeshaye Extension Phase 1, subject to the successful outcome of a Compulsory Purchase Order (CPO).
2. At the meeting of the Policy & Resources Committee on 24th May 2018 it was reported that one of the landowners affected by the CPO had requested to act as developer for the site. The Committee resolved that discussions continue with the landowner and his agent and the outcome of these discussions be submitted to the next meeting of this Committee.
3. A further report was taken to the meeting on 26th June 2018 and the Committee noted the proposals of the landowner and agreed to receive a further report when the outcome of the CPO was known.
4. On 19th March 2019 it was confirmed to the Committee that the CPO had been successful and the decision that PEARL2 should be the developer was re-affirmed.
5. Further reports to the Committee have provided updates on progress with the scheme. The most recent report on 23rd July 2020 set out the current funding position where £1.5m of grant is being provided by Lancashire Enterprise Partnership (LEP) and £1.5m from Lancashire County Council (LCC). The grant funding is to be used for acquisition of the site and putting in infrastructure. The details of the Grant Funding Agreements for both sources of funding have been agreed and will be signed imminently.

Current position

6. Following the successful compulsory purchase of the site Liberata Property Services are agreeing land values and compensation payments with the former land owners and some payments have now been made. Initial works have been undertaken to gain access to the site to begin the road construction. The works packages for the road construction and utility provision are being put together by our Engineering Team, with the first contract now let for creation of a temporary haul road to allow for construction to begin.
7. Negotiations are ongoing with PEARL to agree a land value.
8. PEARL2 have been negotiating with a potential occupier who has a requirement for the majority of the site. A reserved matters planning application has been submitted and authority to grant planning permission was delegated to the Planning, Economic Development and Regulatory Services Manager subject to appropriate conditions by Barrowford & Western Parishes Committee on 3rd September.
9. Mr Peter Heap, the former owner of part of the site, has continued to express an interest in acquiring part of the site to develop an industrial unit. He has had outline plans drawn up that show that his building could be accommodated on the remaining developable area with additional land within the Phase 1 area being required for car parking and vehicle turning areas. Appendix 1 shows the extent of the land to be disposed of (the exact boundaries will be established and mapped before transfer). It also shows an indicative layout of the development, which would be subject to planning permission.
10. It was originally intended that Mr Heap would negotiate with PEARL2 to acquire the site after the site had been sold to PEARL2. This would involve PEARL2 incurring stamp duty

tax on the acquisition only to sell it on immediately and there would be two lots of legal costs. It will be less costly for the sale to take place directly between Pendle and Mr Heap.

11. There will be a requirement on any new landowner to meet the timescales for development and job creation required by the LEP and LCC. It has already been agreed by the Committee that the land sale to PEARL2 would be subject to the signing of a Development Agreement. There will need to be a Development Agreement between Pendle Council and Mr Heap.
12. The LEP funding agreement has a requirement that work starts on the industrial units by April 2021 and is completed by September 2022. Mr Heap's Agent has indicated that this is achievable. However, if agreement cannot be met with Mr Heap on the land value and the terms of a Development Agreement then it will be necessary for this area of land to be sold to PEARL2 and an alternative occupier found quickly to achieve the conditions of the funding agreements. It is therefore recommended that if a land value and Heads of Terms for a Development Agreement cannot be agreed by 30th November and all legal agreements be in place by 31st January 2021 that the land is sold to PEARL2.

IMPLICATIONS

Policy: None directly arising from this report

Financial: The value of the land will be established by Liberata through the use of comparable evidence

Legal: A Development Agreement will need to put in place as part of any land disposal to ensure that the requirements of funders are met and to protect the Council from any potential clawback of funding. As the land disposal will put in place specific requirements around works it is necessary to consider whether it falls within the European Union procurement rules. The cost of the development scheme is below OJEU limits so the disposal does not need to comply with European procurement.

Risk Management: There is a risk of clawback of grant funding if there is a delay in delivering the development

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

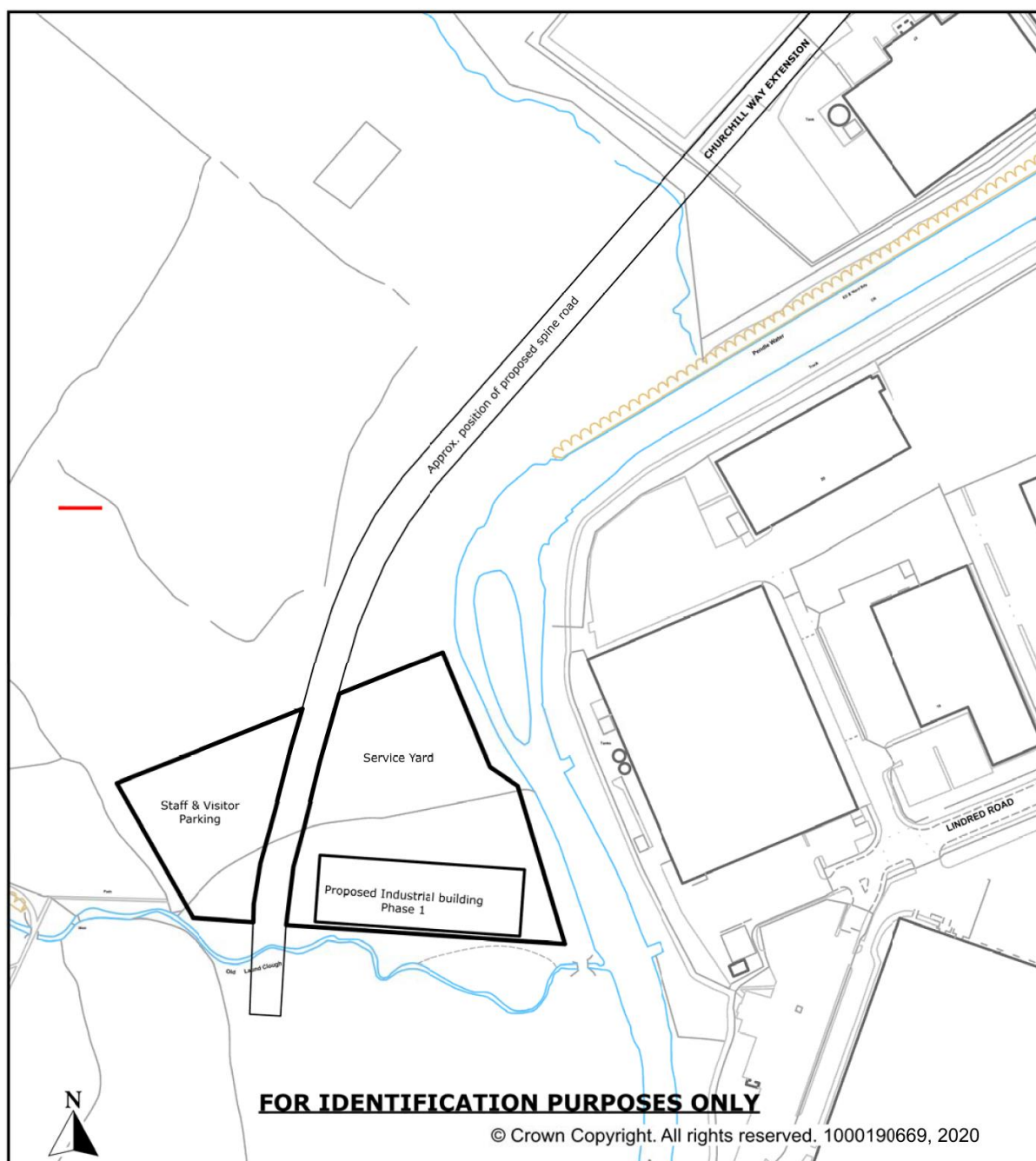
APPENDICES

Appendix 1 – Land to be disposed of – Indicative Plan

LIST OF BACKGROUND PAPERS

Previous reports to Policy & Resources Committee

LAND TO BE DISPOSED OF - INDICATIVE PLAN



Description LOMESHAYE INDUSTRIAL ESTATE - PHASE 1 EXTENSION DEVELOPMENT FOR MR. HEAP			Borough of Pendle Liberata Property Services No. 1 Market Street, Nelson BB9 7LJ Tel: 01282 878787 Fax: 01282 878993	
Scale	N.T.S.	Drawing No.		
		NE/LOM/P1		
Drawn By	Date	CAD Reference		
L.G.	OCT 2020			