

Report Title	BANKHOUSE ROAD SITE
Meeting	EXECUTIVE
Meeting Date	22 nd January 2026
Report Author	Head of Economic Growth
Directorate	Place
Lead Executive Member(s)	Councillor A. Mahmood, Economic Growth
Wards Affected	Bradley
Public. Part Exempt, or Fully Exempt	Public
Appendices (if any)	Appendix 1 – Bankhouse Road Site Plan

1. Executive Summary

- 1.1 This report provides an update on the Bankhouse Road site in Bradley, Nelson, following the conclusion of the open marketing exercise.
- 1.2 Only one offer was received following the marketing exercise. This was for £200k from a private developer whose intention would be to develop the site for a commercial use. No further details have been provided on scheme timescales, design or viability. This end use does not comply with the Council's objective to seek offers for development of housing on the site, therefore this offer has been disregarded.
- 1.3 There exists a fully procured property development Joint Venture company between PBC and Brookhouse Group (PenBrook Developments) through which the site can be developed for housing.
- 1.4 This would meet the Council's strategic aims to develop new housing and the decision of the Executive in October 2024 to seek offers for development for housing.
- 1.5 PenBrook Developments has drawn up designs and financial appraisals with their housing partner which would see the development of 35 new housing units of a mixed typology of between 1 bedroom and 3-bedroom homes based on housing needs. However, these options could be revisited based upon revised housing assessment as the scheme progresses.

- 1.6 PenBrook Developments indicate that there may be a positive land receipt to the council. Further detailed development appraisals are currently being undertaken.
- 1.7 It is recommended that the Executive accepts the PenBrook Development proposal and progresses the site through the JV, subject to confirmation of scheme viability.
- 1.8 This would help to bring forward a site which has been vacant for more than 15 years.
- 1.9 As per section 4.3, there was originally an option to develop the site for an extra care facility. This was not progressed as the funding model at the time did not make it viable to do so. If the scheme with PenBrook Developments were not to be viable then this could be returned to as an option and reconsidered.

2. Recommendations

For the reasons set out in this report, the Executive is recommended to:

- i. To take a scheme forward on the Bankhouse Road site through the Council's Joint Venture company PenBrook Developments.
- ii. To agree an in-principle transfer of the site to PenBrook on the understanding that a further report will be brought back to Executive to agree a formal transfer once the details of a viable scheme have been agreed.

3. Reasons for recommendations

- 3.1 At the meeting of the Pendle Council Executive in October 2024, the Executive resolved to:-
 - i. **Agree to place the site on the open market, and to seek offers for its development for housing.**
 - ii. **Gives delegated authority to the Director of Place, in consultation with the Leader and Deputy Leader of the Council to agree any sale.**
- 3.2 This was to secure housing delivery in line with the Council's priorities and to expedite decision-making and provide certainty of delivery.

4. Information: Rationale & Evidence for the Recommendations

- 4.1 The Bankhouse Road site was originally acquired under the former Housing Market Renewal (HMR) programme and cleared of terraced housing in the late 2000s. Redevelopment did not progress following the Government's early closure of HMR in 2011.
- 4.2 In 2021, Pendle Borough Council secured £200k from the Brownfield Land Release Fund (BLRF) to support enabling infrastructure works for residential development.
- 4.3 The provision of an Extra Care Facility was first explored but was ultimately not viable due to a change in the funding landscape for such schemes, coupled with low land value in Nelson making for an unviable development.
- 4.4 More recently, the site was considered for affordable housing through the PEARL Together partnership. This was not progressed due to insufficient viability, compounded by the low land value of the site.
- 4.5 Extensions to the BLRF funding have been secured, but retaining the funding is dependent on a firm commitment and plan to develop the land. If there is no such commitment and plan, by the end of January 2026 then the funding may be withdrawn.
- 4.6 In light of this outcome, the Council must determine the most effective route to bring the site forward. It is proposed that the site is progressed through PenBrook Developments, subject to confirmation of scheme feasibility. The reasons for this are as follows:

Value for money considerations versus regeneration for the benefit of the community.

- 4.7 Following the marketing exercise a speculative offer from a private individual of £200k was received. The offer is with the intention of using the site for commercial purposes. This is outside the scope of the decision made by the Executive in October 2024 that the site be developed for housing. No tangible details have been provided by this individual on scheme timescales, design or viability. Therefore, this offer has been disregarded.
- 4.8 The PenBrook proposal provides a clear road map for development of the site and would meet strategic policy goals for the site for new housing development.
- 4.9 This initial development with PenBrook has the potential to explore a delivery model that could be replicated to bring forward delivery of other sites in the borough; this would support Pendle's strategic vision for housing development, and provide a robust vehicle with which to do so.

- 4.10 PenBrook Developments come with a track record of regeneration and has the potential to work with Registered Providers to lever in grant funding.
- 4.11 There would be added value in economic and social terms; to the borough with meeting its housing needs and increasing the diversity of its housing offer to meet the needs of the local community. There is also the benefit that £200k of BLRF funding may be retained by the Council to go towards the housing development.
- 4.12 The Local Government Act 1972 and the General Disposal Consent 2003 give Local Authorities the power to dispose of land as they see fit. The only constraint is that disposal must be for the best consideration reasonably obtainable. It is recognised that there may be circumstances where an Council considers it appropriate to dispose of land at an undervalue. However, when disposing of land at an undervalue, Councils must remain aware of the need to fulfil their fiduciary duty in a way which is accountable to local people.
- 4.13 The specified circumstances in which an authority can dispose of land at an undervalue are:
- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - i) the promotion or improvement of economic well-being;
 - ii) the promotion or improvement of social well-being;
 - iii) the promotion or improvement of environmental well-being; and
 - b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2m.
- 4.14 Having reviewed the options it is felt that in this instance, the delivery of affordable housing responds directly to an identified local housing need, which is a key determinant of social well-being. The project is also likely to generate significant economic benefits, including employment opportunities during construction, long-term economic participation of new residents, and increased council tax receipts.

Additionally, it may contribute to the environmental sustainability of the area through the provision of modern, energy-efficient homes. These cumulative public benefits of the PenBrook proposal outweigh the need to simply focus on the highest capital receipt available, and align with the authority's strategic objectives, thereby providing a lawful and policy-compliant basis for an undervalue disposal.

5. Implications

5.1 Financial Implications

The proposal to transfer the land to PenBrook Developments does not necessarily rule out a capital receipt, it is dependent on the residual land value in the development appraisal. However, transferring the site to PenBrook ensures the retention of the £200k BLRF grant and meets the Council’s strategic objectives to develop the land for housing.

5.2 Legal and Governance Implications

The disposal must achieve best consideration under the Local Government Act 1972. A Development Agreement will be required with PenBrook.

5.3 Climate and Biodiversity Implications

Proposals will be required to incorporate sustainable design and construction, this will come forward in scheme design. (Head of Economic Growth consulted).

5.5 Human Resources Implications

None directly arising from this report.

5.6 Equality and Diversity Implications

None directly arising from this report

6. Consultation

6.1 Site allocation was determined through the Local Plan, which required extensive consultation.

7. Alternative Options Considered

8. Statutory Officer Sign off (please tick)

Section 151 Officer	x
Monitoring Officer	x

9. Background Documents

Executive Report – October 2024 (Item 04)

Contact Officers

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