

# Executive Member Decision



**REPORT OF:** Executive Member for Finance and Governance,  
Executive Member for Growth and Development

**LEAD OFFICERS:** Chief Executive

**DATE:** Friday, 11 December 2020

**PORTFOLIO(S) AFFECTED:** Growth and Development

**WARD/S AFFECTED:** Little Harwood and Whitebirk;

## **SUBJECT:**

Disposal of Plot 4 Carl Fogarty Way, Blackburn

## **1. EXECUTIVE SUMMARY**

1.1 To seek approval to appoint a preferred bidder for the sale of Plot 4 Carl Fogarty Way, Blackburn and enter into a building licence and subsequent agreement for sale.

## **2. RECOMMENDATIONS**

That the Executive Members:

2.1 Approve the appointment of the preferred bidder, entering into a building licence and subsequent agreement for sale.

2.2 Approve the appointment of the reserve bidder in the event of the preferred bidder not proceeding with the transaction

2.3 Authorise the Director of HR, Legal and Governance to complete the necessary legal formalities

2.4 Authorise the Growth Programme Director to finalise details of the building licence and heads of terms.

## **3. BACKGROUND**

3.1 Plot 4 Carl Fogarty Way, Blackburn comprises approximately 0.79 acres of commercial development land and was offered for sale by informal tender on 26<sup>th</sup> August 2020 with a closing date of 23<sup>rd</sup> October 2020.

3.2 Three compliant bids were received by the deadline date. All three bids proposed units of c.9-10,000 sq ft total for light industrial use. Two further non-compliant bids were received.

3.3 Letters requesting clarification of various parts of the bids were issued to the two highest compliant bidders (Bidder A and Bidder B), with an opportunity to provide revised financial offers. Clarifications were received, confirming that both parties have appropriately experienced delivery teams, and the necessary funds to acquire the site and complete the development. One of the bidders also increased their offer.

3.4 Following this exercise, Bidder A is considered to have provided the most favourable tender return due to the quality of the submission and the higher value offered. They propose to submit a planning application by January 2021 for 9,000 sq ft of light industrial space. The proposed construction start date is August 2021 with units being ready for occupation in 2022.

3.5 Construction will be carried out under a building licence, with the freehold of the site transferred to the developer under completion, to ensure the units are built out within an acceptable timeframe.

3.6 It is proposed that Bidder B is appointed as reserve bidder, giving the Council an opportunity to re-engage with them should Bidder A not complete the transaction.

#### **4. KEY ISSUES & RISKS**

4.1 Bidder A has submitted a compliant tender bid with an acceptable scheme and have offered the highest site value. It is recommended that the Council proceeds with the transaction, with Bidder A as preferred bidder.

4.2 Should Bidder A not proceed, the Council will enter into discussions with Bidder B, the reserve bidder.

4.3 Should the transaction not be completed with either bidder then the Council will explore other options for the site and re-tender.

#### **5. POLICY IMPLICATIONS**

5.1 The disposal method accords with the Council's approved policy for disposals.

#### **6. FINANCIAL IMPLICATIONS**

6.1 The Council will receive a capital receipt.

6.2 The preferred bidder will cover the Council's legal and surveyor fees calculated as a percentage of the offered land value, up to an agreed cap.

#### **7. LEGAL IMPLICATIONS**

7.1 The disposal method complies with the Council's legal obligations for such transactions and with the Council's Disposal Policy 2019.

#### **8. RESOURCE IMPLICATIONS**

8.1 Legal and surveyor resources will be required to complete the transaction

#### **9. EQUALITY AND HEALTH IMPLICATIONS**

**Please select one of the options below.**

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision.

## 10. CONSULTATIONS

10.1 The proposal has been subject to consultations between Council Officers, Executive members, and Legal and Planning departments

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published.

<b>CONTACT OFFICER:</b>	Alex Wildman, Strategic Development Manager (Commercial)
<b>DATE:</b>	30 <sup>th</sup> November 2020
<b>BACKGROUND PAPER:</b>	None