

Executive Member Decision



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

LEAD OFFICERS: Director of Place

DATE: Friday, 3 September 2021

PORTFOLIO(S) AFFECTED: Growth and Development

WARD/S AFFECTED: Blackburn Central;

SUBJECT:

EMD Disposal of Land South of Brookhouse Lane, Blackburn

1. EXECUTIVE SUMMARY

1.1 To seek approval to appoint a preferred bidder and reserve bidder for the sale of Land South of Brookhouse Lane, Blackburn and proceed with the disposal of the site.

2. RECOMMENDATIONS

That the Executive Members:

2.1 Approve the designation of the Tenant and Undertenant as special purchaser for this site.

2.2 Approve the appointment of the preferred bidder, and proceed with the disposal of the site.

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

2.4 Authorise the Strategic Head of Service, Legal and Governance to complete the necessary legal formalities.

3. BACKGROUND

3.1 Land South of Brookhouse Lane, Blackburn comprises approximately 0.9 acres of industrial land in Blackburn Central, currently used for vehicle sales.

3.2 The site was originally let for 75 years from 31st December 1969. This lease was assigned and a sublease granted from 21st August 1987 to 26th December 2044. This underlease has subsequently been assigned.

3.3 The current parties to the lease are as follows:
Blackburn with Darwen Borough Council – Head Landlord
Bidder A – Tenant
Bidder B – Undertenant

3.4 Expressions of interest to purchase the freehold interest in the site were sought from both the Tenant and Undertenant as special purchasers in June 2021, with both parties confirming their interest. The tender opportunity was issued on 08th July 2021 with a deadline of 26th July 2021. A

report on title and independent valuation were included in the tender documents to assist the bidders.

3.5 Unconditional bids were received from both parties by the deadline

3.6 It is proposed that Bidder A is appointed as preferred bidder due to the higher value offered, with Bidder B appointed as reserve bidder in the event Bidder A does not proceed with the transaction.

3.7 The purchaser shall be responsible for the Council's reasonable legal and surveyors costs equating to 2% of the purchase price, capped at an agreed level.

4. KEY ISSUES & RISKS

4.1 Bidder A has submitted a compliant tender bid 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 be entitled to alternatively 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 or offer for sale via auction.

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 Council will lose its annual rental income from the site

6.3 The preferred bidder will cover the Council's legal and surveyor fees calculated as 2% 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.

7.2 While the general approach to disposing of Council properties is to offer them for sale on the open market and invite offers by way of tender or by auction, negotiation with a single (special) purchaser(s) is not precluded and is set out in the Council's Disposal Policy.

7.3 There will be occasions when the benefits to the Council lie in dealing with special purchasers. The benefits in this case may relate to an interest already owned in the property by the special purchaser and on that basis it is considered that best consideration will be achieved because of their existing interest in the property.

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.

CONTACT OFFICER:	Alex Wildman, Commercial Developments and Asset Manager
DATE:	23 rd August 2021
BACKGROUND PAPER:	None