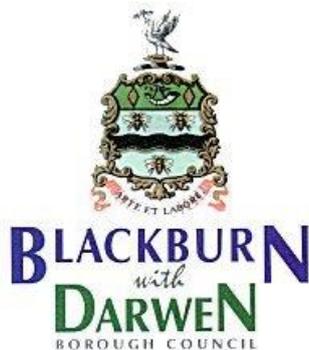


EXECUTIVE BOARD DECISION



REPORT OF:	Executive member for Finance and Governance Executive Member for Growth and Development
LEAD OFFICERS:	Director for Growth & Development
DATE:	April 2022

PORTFOLIO/S AFFECTED:	Growth and Development
WARD/S AFFECTED:	Little Harwood & Whitebirk
KEY DECISION:	YES

SUBJECT: EB Land at Whalley Old Road, Blackburn

1. EXECUTIVE SUMMARY

- 1.1 This report outlines the outcome of the informal tender exercise for land at Whalley Old Road, Blackburn (“the Site”) as illustrated on the plan attached at Annex A.
- 1.2 This report seeks approval to dispose of the Site for housing development to the recommended preferred bidder.
- 1.3 To note that Blackburn with Darwen Council and Lea Hough & Co, representing the two private landowners, have jointly brought forward this development opportunity through an informal tender process administered by Council officers.
- 1.4 To note that Outline planning consent with all matters reserved for residential development of up to 165 dwellings with reference 10/20/0716 was granted by Blackburn with Darwen Council on 18 February 2021.
- 1.5 This report outlines the process for the disposal of ‘open space’ and requests delegated authority for the consideration of any objections and approval for the disposal of ‘open space’ to the Growth Director.

2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Approves the sale of the Council owned land to Bidder A for the agreed purchase price and part deferred payment profile.
- 2.2 Notes that Lea Hough & Co, representing the two private landowners, are in agreement to appoint Bidder A.
- 2.3 Notes that the land conveyancing process will be coordinated by an external solicitor acting on behalf of all the landowners, including the Council.

- 2.4 Authorises the Strategic Head of Service for Legal and Governance to complete the necessary legal formalities in the disposal process.
- 2.5 Authorises the Growth Director to finalise and complete the terms of the disposal.
- 2.6 Delegates authority to the Growth Director, in consultation with the Executive Member for Growth & Development to:
- a) Consider any objections to the proposed disposal of 'open space' at Whalley Old Road; and if appropriate
 - b) Approve the proposed disposal of 'open space' at Whalley Old Road.

3. BACKGROUND

3.1 The Site comprises three parcels as illustrated on the plan attached at Annex A with a total site area of 7.994 ha.

- Parcel A Anglo Eastern Trust Ltd (2.851 ha)
- Parcel B Sheila Jacques (0.863 ha)
- Parcel C Blackburn with Darwen Borough Council (4.280 ha)

3.2 The Site was marketed for sale by informal tender.

3.3 A 'Data Room' was set up on the Council's website, which contained all tender information. A technical pack comprising reports and surveys commissioned for the Site was also available upon request and accessible via a unique web link, which was issued by the Growth Team. A total of 21 potential bidders requested and were issued with the link.

3.4 The two-stage tender period was undertaken on the dates specified below.

- Stage 1 (Open Informal Tender) 18th October 2021 to 17th December 2021
- Stage 2 (Best and Final Offer) 21st January 2022 to 7th February 2022

3.5 The joint marketing strategy with Lea Hough & Co included:

- targeted electronic mailshot to over 100 developers;
- promotion on the Council website;
- promotion on the Lea Hough & Co website; and
- telephone discussions and meetings with potential bidders.

3.6 The informal tender form required interested parties to:

- Make an offer for the housing development site using the technical surveys provided whilst still undertaking their own due diligence;
- Make an offer conditional on planning;
- Offer to include the requested s106 contributions as determined by the Local Planning Authority (£580K for highways and sustainable transport, plus monitoring fee of £5,800);
- Provide the proposed design layouts, house types, tenure and numbers;
- Demonstrate previous housing development experience;
- Demonstrate financial resources and source of finance; and
- Outline timeframe for development.

3.7 The tenders have been evaluated in accordance with the criteria referred to under 3.6 above.

4. KEY ISSUES & RISKS

4.1 The Council received 12 informal tenders at Stage 1 as detailed in Table A below

TABLE A			
Bidder Reference	No Units	Mix of Units	No. of Affordable Units
Bidder 1	165	2,3,4,5	33
Bidder 2	147	2,3,4	29
Bidder 3	155	2,3,4	31
Bidder 4	165	2,3,4	33
Bidder 5	170	2,3,4	34
Bidder 6	161	2,3,4	32
Bidder 7	165	2,3,4	33
Bidder 8	164	2,3,4	33
Bidder 9	165	2,3,4	33
Bidder 10	163	2,3,4	33
Bidder 11	165	2,3,4	33
Bidder 12	160	2,3,4,5	32

4.2 The Council invited the top 3 bids to submit final offers and to answer clarification questions raised by Council Officers and Lea Hough & Co. Table B below details the bids received following the Stage 2 process.

TABLE B				
Bidder Reference	Tenure	No Units	Mix of Units	Proposed Payment Terms
Bidder 1	80% Open Market & 20% Affordable	165	2,3,4,5	50% on completion of site disposal + 50% after 12 months with deposit
Bidder 2	80% Open Market & 20% Affordable	157	2,3,4	50% on completion of site disposal + 50% after 12 months with deposit
Bidder 3	80% Open Market & 20% Affordable	167	2,3,4	50% on completion of site disposal + 50% after 12 months with deposit

4.3 Analysis of recent land sales in the Borough of similar development size and density highlights the offer by Bidder 1 represents a significant bid for the land and demonstrates the Council will have achieved best consideration by disposing of the Site for the offered amount.

4.4 Bidder 1 is identified as Vistry Partnerships Ltd (“Vistry”).

4.5 Vistry provided a thorough understanding of the site constraints, accurate interpretation of local market requirements, a good level of detail showing an appropriate scheme layout and indicative design, with significant previous experience of high quality housing delivery and open space proposals.

4.6 Vistry Group is a leading house-building company and is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. Vistry Group was created in January 2020 following the merger between Bovis Homes, Linden Homes and Galliford Try Partnerships. The Vistry Group immediately became one of the top five housebuilders in the UK by volume.

- 4.7 For the reasons outlined above it is recommended the Council accepts the bid from Vistry and appoints the company as preferred bidder.
- 4.7 Lea Hough & Co has confirmed the two private landowners are in agreement to appoint Vistry.
- 4.8 Vistry has provisionally accepted the conditions of sale and Heads of Terms as set out in the tender documentation.

4.9 The main heads of terms are as follows:

Vendors

Blackburn with Darwen Borough Council, Anglo Eastern Trust Ltd and Sheila Jacques.

Purchaser

Vistry Partnerships Ltd

Description

Land South of Whalley Old Road, Blackburn (see attached plan Annex A)

Method of Disposal

Freehold subject to planning approval.

Costs

The purchaser will be responsible for the vendors' legal costs.

Purchase Price

The purchase price will be split pro-rata to land area to each of the landowners.

Payment Terms

Purchase price will be paid in two instalments with 50% paid on legal completion of the land sale and 50% paid 12 months following legal completion. A legal charge will be placed on the land in favour of the vendors requiring payment of the remaining balance as agreed.

Section 106

The purchaser will pay all section 106 infrastructure costs (£585,800) and provide affordable housing and open space on site.

Section 278 highway works

The purchaser will pay for all section 278 highway works as required.

Vendors Solicitor Details

WHN Solicitors, 1A Strawberry Bank, Blackburn BB2 6AA

Risk

The sale will be subject to reserve matters planning approval.

4.10 Disposal of Open Space

As the land at Whalley Old Road (excluding the private land) to be disposed of has some unfenced areas that the public can access and is of an open nature and so for full compliance reasons it is considered to be 'open space' then section 123(2A) of the Local Government Act 1972 applies. This requires the Council to advertise the proposal twice over two consecutive weeks in a newspaper circulating in the area in which the land is situated, erect site notices,

and consider any objections to the proposed disposal which may be made to them. The advertisement is to take place once a developer has been appointed and a scheme proposed.

4.11 It is recommended that the Council delegates authority to the Growth Director in consultation with the Executive Member for Growth & Development, to consider any objections or comments raised to the proposed disposal of 'open space' at Whalley Old Road and if appropriate approve the proposed disposal of 'open space' at Whalley Old Road for the proposed housing development.

5. POLICY IMPLICATIONS

The disposal method accords with the Council's approved policy for disposal of Council land.

6. FINANCIAL IMPLICATIONS

6.1 The purchase price is net of section 106 contributions and therefore each party will receive a capital receipt pro-rata to land area equating to:

6.1.1 Anglo Eastern Trust Limited land parcel A equates to 35.66% of the area.

6.1.2 Sheila Jacques land parcel B equates to 10.80% of the area.

6.1.3 Council land parcel C equates to 53.54% of the area.

6.2 The payment will be paid in two instalments with 50% paid on legal completion of the land sale and 50% paid 12 months following legal completion.

6.3 The Council will receive a section 106 contribution of £585,800, which includes £330,000 for sustainable transport, £250,000 for highways and £5,800 monitoring fee, which will be paid in 4 instalments after development commencement. The details of the contribution were provided by the Council's planning team and were notified to all bidders in the tender documents to ensure the land offer was net of these contributions. Affordable housing and public open space will be provided on site and therefore no contributions towards off-site provision were sought when outline planning permission was granted.

6.4 The development will support future increases in Council Tax income as well as New Homes Bonus.

6.5 The legal costs for the jointly appointed solicitors will represent cost efficiencies and ensure both parties are represented with consistency. The purchaser will contribute towards these costs.

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 As the proposed disposal is for the freehold of the land, then various aspects of S123 of the Local Government Act 1972 are considered to apply.

8. RESOURCE IMPLICATIONS

8.1 The disposal will be managed by existing resources within the Growth & Development team.

8.2 The jointly appointed solicitors will be required to complete all the legal formalities relating to the freehold disposal and will interface with the Council's legal team on matters relating to formal execution.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

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. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Public consultations took place as part of the outline planning application process. Further statutory stakeholder and public consultations will be undertaken during the detailed reserved matters planning application process.

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 on the day following the meeting.

VERSION: 1

CONTACT OFFICER:	Simon Jones, Growth Director, Department of Growth & Development PMO Growth
DATE:	March 2022
BACKGROUND PAPER:	None