



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Growth and Development
LEAD OFFICERS:	Strategic Director of Growth & Development
DATE:	Thursday, 14 July 2022

PORTFOLIO/S AFFECTED:	Growth and Development
WARD/S AFFECTED:	Little Harwood and Whitebirk;
KEY DECISION:	Y

SUBJECT: EB Land at Lower Philips Road

EXECUTIVE SUMMARY

- 1.1 This report outlines the request from an existing leaseholder and tenant of the Council to acquire the Council's freehold interest of the land they currently occupy.
- 1.2 This report seeks Executive approval to authorise the Director for Growth and Development to enter into a building licence and subsequently to dispose of the Council's freehold interest in land at Philips Road, Whitebirk, Blackburn.
- 1.3 The land at Philips Road is currently occupied by way of a 99 year ground lease with effect from 31 December 1972 (50 years unexpired).
- 1.4 By disposing of the freehold, this will allow the existing tenant to invest in new buildings, machinery and facilities that will retain this important employer in the Borough.

2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Approve the disposal of the Council's freehold interest to the current occupier as Special Purchaser.
- 2.2 Authorise the Growth Programme Director to finalise and complete the terms of the disposal.
- 2.3 Authorises the Deputy Director for Legal and Governance to complete the necessary legal formalities in the disposal process.

3. BACKGROUND

- 3.1 The tenant and its predecessors have operated from this site since 1972.
- 3.2 The tenant also owns and operates from a number of other buildings in the surrounding area and also owns land which it plans to expand further on.

3.3 Their desire is to redevelop, modernise and invest in the operations in the site. However due to the diminishing lease term securing funding for such development would not be possible.

3.4 They are seeking to purchase the site which will allow for this new investment to take place that will not only secure existing employment, but generate new employment and training opportunities.

4. KEY ISSUES & RISKS

4.1 Land Disposal

The Council regularly receives requests from other leaseholders seeking to acquire the freehold interest in the land they occupy, however each request is determined on its own circumstances.

4.2 In this instance the current occupier is seeking to acquire the freehold to facilitate new investment and create and protect employment. Detailed proposals for the redevelopment scheme have already been prepared.

4.3 By disposing of its freehold the Council will receive a capital receipt.

4.4 However by disposing of its freehold it will mean terminating the existing lease meaning that the Council will forego an annual income, subject to a rent review in December 2022, when it may increase.

5. POLICY IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

6.1 A capital receipt will be received from the transaction.

6.2 The Council will forego a secure rental income.

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 and the desire to improve and extend the facility to aid business growth and job creation.

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. 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

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 on the day following the meeting.

VERSION:	1
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CONTACT OFFICER:	PMO Growth
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DATE:	20 June 2022
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BACKGROUND PAPER:	None
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