



EXECUTIVE BOARD DECISION

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

PORTFOLIO/S AFFECTED:	Growth and Development
WARD/S AFFECTED:	Blackburn South and Lower Darwen;
KEY DECISION:	Y

SUBJECT: EB Disposal of Plot 4 Millbank, Lower Darwen

1. EXECUTIVE SUMMARY

- 1.1 To seek approval to proceed with the sale of Plot 4 at Millbank Business Park, Lower Darwen, (shown edged red on the attached plan) via Barnfield Blackburn Ltd, a company in which the Council is part shareholder.

2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Approve that the Council as shareholder of Barnfield Blackburn Ltd authorises the nominated Council Directors to sign off the sale of Plot 4 Millbank Business Park, Lower Darwen (shown edged red on the attached plan) to Hippo Vehicle Solutions Ltd.
- 2.2 Authorise the nominated Council Directors to finalise and complete the terms of the disposal.

3. BACKGROUND

- 3.1 Barnfield Blackburn Limited was established as a Joint Venture company between Barnfield Construction Ltd and Blackburn with Darwen Borough Council as a Special Purpose Vehicle, to proactively promote development sites. The SPV ensures this happens by preparing all necessary surveys and permissions to ensure the sites are ready for disposal.
- 3.2 Land off Milking Lane and Greenbank Terrace was identified and acquired in 2018 by Barnfield Blackburn Ltd. The Council owns a 25% stake in the business.
- 3.3 Upon purchase the intention was to develop the site, with residential to the North East, off Milking Lane; and commercial to the West of the site, off Greenbank Terrace.
- 3.4 LEP funding was secured in September 2019 for a new road linking Greenbank Terrace to Milking Lane – this new road opens up the site and will alleviate traffic congestion on Milking Lane.

- 3.5 Potential flood risks at Greenbank Terrace have been addressed by a comprehensive mitigation strategy approved by the Environment Agency, through planning in February 2020, subject to the following condition. Namely, the transfer to the Council by late 2022 of the two flood retention basins, which are currently under construction. A commuted sum has been paid to the Council by Barnfield Blackburn Limited for the future maintenance of the basins.

Commercial site disposal

Hippo Vehicle Solutions Ltd has made an offer to purchase the site and the provisional Heads of Terms agreed, as detailed in the Part 2 Report.

4. KEY ISSUES & RISKS

- 4.1 A deal has been negotiated for the development of Plot 4 Millbank, Lower Darwen, Blackburn which meets the Council's financial aspirations. It is recommended that Barnfield Blackburn Ltd. proceeds with the transaction.
- 4.2 Should the transaction not be completed then Barnfield Blackburn Ltd will explore other options and re-market the site.

5. POLICY IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

- 6.1 A gross pre-tax capital receipt (minus permitted deductions) will be received by Barnfield Blackburn Ltd. for the land sales, with the Council receiving a gross pre-tax 25% share (minus permitted deductions). Any money to be received by the Council from the joint venture company shall either be paid at each year-end via a shareholder dividend or kept within the joint venture company for future regeneration purposes.
- 6.2 The purchase price on a net developable area is in line with the Council's previous aspirations for the rates achieved on the disposal of Plots 1, 2 and 3 Millbank. Therefore this represents a very good deal for the Council.

7. LEGAL IMPLICATIONS

- 7.1 Although the Council's ownership of this land is held via joint company with its part shareholding, this disposal method has still complied with the Council's legal obligations for such transactions and with the Council's Disposal Policy 2019.

8. RESOURCE IMPLICATIONS

- 8.1 Nominated director 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:	June 2022
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BACKGROUND PAPER:	None
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