



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Finance and Governance, Executive Member for Growth and Development
LEAD OFFICERS:	Chief Executive
DATE:	Thursday, 13 October 2022

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

SUBJECT: Disposal of Land at Plot 3, Carl Fogarty Way, Blackburn

1. EXECUTIVE SUMMARY

- 1.1 This report outlines the outcome of the informal tender exercise for land at Plot 3, Carl Fogarty Way, Blackburn ("the site") as illustrated on the plan attached at Annex A.
- 1.2 This report seeks approval to dispose of the Site for commercial development to the recommended Preferred Bidder.
- 1.3 This report seeks approval to enter into a Conditional Contract and subsequent Building Licence with the Preferred Bidder.

2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Approves the sale of the Site to Bidder 4, as Preferred Bidder, for the agreed Purchase Price and part deferred payment profile.
- 2.2 Authorises the Growth Programme Director to finalise the heads of terms for the Conditional Contract and the terms and conditions of the Building Licence.
- 2.3 Authorises the Deputy Director, Legal and Governance (Monitoring Officer) to complete the necessary legal formalities in the disposal process.

3. BACKGROUND

- 3.1 Plot 3 Carl Fogarty Way is situated in a prominent 'gateway' location along the main route into Blackburn Town centre from Junction 6 of the M65 and comprises 2.35 acres or thereabouts. The site is served by a newly constructed, and adopted, vehicular access with excellent roadside frontage and presents an exciting opportunity to develop an attractive high quality commercial scheme with business or trade showroom potential at this key gateway location.

- 3.2 The site was offered for sale by informal tender on 14th March 2022 with a closing date of 9th May 2022.
- 3.3 Tender documents were issued to over 40 local and regional developers/businesses who had previously expressed an interest in this or similar sites within the Borough. Bidders were made aware that preference would be given by the Council to bids from owner occupiers looking to relocate to the Borough or existing Blackburn with Darwen businesses looking to expand in the Borough.
- 3.4 Due to the proximity of adjacent residential properties bidders were advised to carefully consider the proposed end use as the site will have noise and operating restrictions imposed by the Local Planning Authority.
- 3.5 Bidders were also advised that the Council is under no obligation to accept the highest or indeed any offer. The purchase price would be balanced against other benefits from the proposed scheme such as quality of design, layout, end use, development timeframe and the ability to fund the land purchase and development costs
- 3.6 Tender Assessment
Seven compliant bids were received by post by the closing date of 9th May 2022 and these are summarised below:

Bidder ID	Use	Owner / Investment	Relocation or Expansion
1	Car showroom, sales and vehicle storage	Owner	Expansion of an existing Blackburn business
2	HQ offices, van leasing, sales and support services	Owner	Expansion of an existing Blackburn business
3	E / B2 / B8 Commercial Use	Investment	Speculative scheme
4	Car showroom, sales and head office functions	Owner	Expansion of an existing Blackburn business
5	B2 / B8 Commercial Use	Investment	Speculative scheme
6	B2 / B8 Commercial Use	Owner	Relocation (currently renting) and expansion
7	Warehousing / Transport / Distribution	Owner	Expansion of an existing Blackburn business

- 3.7 The bids were carefully evaluated by selected members of the Growth Team having regard to the tender price and the other essential criteria referred to under paragraph 3.5 above. The assessment identified a number of areas which required further clarification and in consultation with the Executive Member for Growth and Development the Growth Director invited the top four bidders (by bid offer) to respond to a set of clarification questions by email.
- 3.8 Bidders 1 – 4 in the above Table were invited to proceed to the second stage tender process.
- 3.9 Following the first stage assessment all bidders were informed on 7th July 2022 as to whether they had been successful or unsuccessful with their bid.
- 3.10 Second Stage Tender Process
The bidders were invited to respond to a number of clarification questions to assist the Council officers in undertaking a more detailed assessment of the revised bids. The clarification questions are summarised

below :

A. Scheme layout, massing and detail

Bidders were required to demonstrate how their design and layout optimised the site potential given the unique road side frontage.

B. Quality of design, streetscape, and proposed materials

The Council wishes to see a building at scale and purpose given the gateway route into Blackburn and this requirement would demonstrate the quality of the design proposals.

C. Details of end user operations and business need

Bidders were required to demonstrate how the site location supports the growth of the business. The Council wishes to support a growing local business (or a new business to the Borough) that requires this unique road side frontage and bidders were required to provide compelling reasons.

D. Job Creation, retention and quality

This question required bidders to demonstrate the quality and number of jobs the business will support. The Council wishes to support a growing business which will create the quality and number of job opportunities.

E. Financial and commercial offer.

Bidders were required to provide further details in terms of the delivery team, development programme, an estimate of the development costs prepared by their professional team and evidence of their ability to fund the scheme and a supporting statement from their bank or accountant relating to their financial standing.

3.11 Bidders were also given the opportunity to revise their financial offer taking into consideration the supporting information previously provided by the Council and their responses to the clarification questions outlined above.

3.12 Stage 2 Tender Returns

The Stage 2 returns were received from each of the four bidders by the closing date of 11th July 2022.

3.13 A detailed assessment was undertaken for each bid which is summarised in the table below:

Bidder ID	Use	Relocation or Expansion	Financial Assessment
1	Car showroom, sales and vehicle storage	Expansion of an existing Blackburn business	Offer remains the same but still represents an excellent offer for the site and remains the highest bid.
2	HQ offices, van leasing, sales and support services	Expansion of an existing Blackburn business	Offer increased and represents a very good offer for the site.
3	Change in scheme from E / B2 / B8 commercial use to a retail use for a new food operator.	New food store proposal	Despite the change in use the offer remains the same and does not reflect the potential uplift in value that a retail consent would generate
4	Car showroom, sales and offices	Expansion – organic growth	The offer has increased significantly and represents an excellent offer for the site

3.14 Each bidder had submitted comprehensive responses to the clarification questions (see 3.10 above) and

each response together with the Council's planning comments was assessed with a score ranging from 0 – 4 which is summarised in the tables below:

Assessment of Clarification Questions	Bidder 4	Bidder 3	Bidder 2	Bidder 1
A. Scheme layout, massing and scale.	4	2	2	2
B. Quality of design, streetscape and proposed materials	3	3	2	2
C. Details of end user operations and business need.	3	3	3	3
D. Job creation, retention and quality	3	3	3	3
E. Financial and commercial offer	4	3	3	4

Overall Quality Assessment	17/20	14/20	14/20	14/20
Planning Risk	Low	High	Medium	Medium

3.15 Following the above assessment Bidder 4 is assessed as providing the best overall scheme with the highest quality and economic outputs together with the lowest planning risk and is therefore recommended as the Preferred Bidder.

4. KEY ISSUES & RISKS

- 4.1 Bidder 4 has submitted a compliant tender bid with an acceptable indicative scheme, subject to detailed planning and it is recommended that the Council proceeds in the sale of the land to Bidder 4.
- 4.2 The transfer of the freehold interest in the land will be preceded by a Building Licence. Bidder 4 will be required to enter into a Conditional Contract with the Council which will be conditional predominately on obtaining planning consent, developing the site in accordance with the approved Planning Permission and in line with the development timeframe. Because part of Bidder 4's successful tender was based on planning risk and proposal, the Conditional Contract will reinforce the requirement of this planning outcome.
- 4.3 The Conditional Contract will act as an overarching agreement incorporating the final head of terms and enabling the granting of the Building Licence. The purchaser will be required to pay a deposit based on 20% of the purchase price + VAT.
- 4.4 Following satisfactory completion of the development and on payment of the balance of the purchase Price + VAT (less any permitted deductions) the freehold interest will be transferred to Bidder 4.

5. POLICY IMPLICATIONS

- 5.1 The disposal method accords with the Council's approved policy for disposals and is in accordance with the Council Local Plan.

6. FINANCIAL IMPLICATIONS

- 6.1 The site has been elected for VAT.
- 6.2 The Council will receive a gross capital receipt + VAT.
- 6.3 The purchaser will make a contribution towards the Council's surveyors fees and legal 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.
- 7.3 The Preferred Bidder has been assessed as providing, on balance, the highest overall economic, social and environmental benefits for the Council as set out the Local Government Act 1972 General Disposal Consent (England) 2003 Circular 06/2003 with the undervalue being below the disposal limit.

8. RESOURCE IMPLICATIONS

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

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 Statutory stakeholder and public consultations will be undertaken during the 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
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CONTACT OFFICER:	Simon Jones – Growth Programme Director
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DATE:	October 2022
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BACKGROUND PAPER:	Growth Programme 2022/23
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