

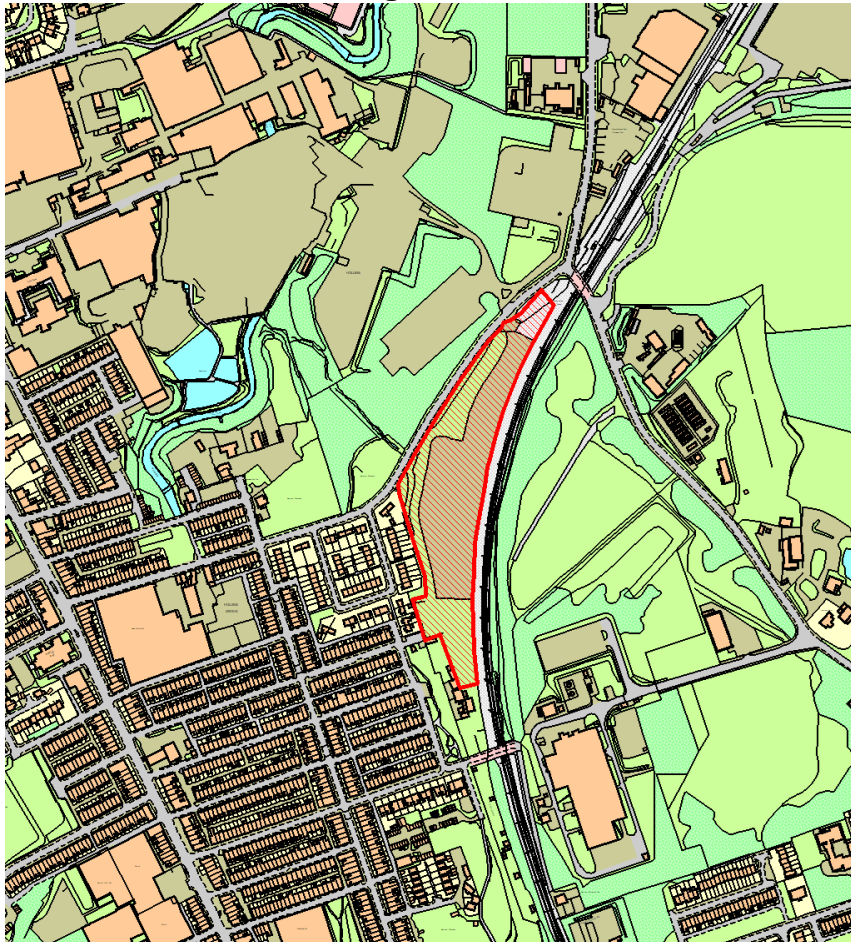
**Proposed development: Variation of Legal Agreement/S106 for Variation to S106 Agreement pursuant to planning application 10/20/0107 "Hybrid planning application for Full permission for 37 dwellings including creation of a new vehicular access to the Southern end of the site and Outline permission with 'Access' (with all other matters reserved) for B1, B2, and B8 uses including alterations to the existing access to the Northern end of the site" - proposed residential units replaced by commercial unit**

**Site Address:**

**Hollins Industrial Park  
Hollins Grove Street  
Darwen**

**Applicant: Fairmont PM**

**Ward: Darwen East  
Councillor Katrina Fielding  
Councillor Matt Gibson  
Councillor Martin McCaughran**



## **1.0 SUMMARY OF RECOMMENDATION**

- 1.1 It is recommended that Members agree to the removal of the financial contribution in the Section 106 Agreement in order for a viable development to proceed on site.

## **2.0 KEY ISSUES/SUMMARY OF PLANNING BALANCE**

- 2.1 The developers for the site have encountered significant economic difficulties in developing this part of the Hollins Industrial Park site. This has mainly been due to the Covid pandemic, and the substantial price increases in both materials and interest rates for development loans. Under the approved hybrid application 10/20/0107 (approved by the Committee at their meeting in July 2020), which included full planning permission for 37 new dwellings, included an agreed s106 contribution of £35,000 towards highway works plus a 1% monitoring fee. However, the proposed residential part of the site has remained vacant since the hybrid permission was originally granted, and the applicant asserts that the residential scheme is not financially viable.
- 2.2 The applicant was considering selling the land to recouperate some of the costs. However, they have now been approached by a potential tenant who is showing interest in occupying industrial units on the land which presently only benefit from the residential approval.
- 2.3 Officers and the developer are keen to find a practical solution to ensure that the site is developed, which would bring a vacant site back into use for the betterment of the local community.
- 2.4 Members must determine whether the removal of the financial contribution within the Section 106 Agreement is acceptable in order to facilitate the development at this site.
- 2.5 A professional Viability Assessment submitted with the application concludes that the scheme is not economically viable. This has been endorsed by a separate Third party Viability appraisal of the viability assessment commissioned by the Council. It is concluded that it is not economically viable in planning terms for this scheme to provide any section 106 obligations, or other planning gain contributions.
- 2.6 Following pre-application discussions with officers, a separate, full planning application has recently been submitted to provide industrial units on the southern part of the site (instead of the 37 dwellings previously approved) – Reference 10/23/0414 - Erection of 11No. light industrial units (Use Classes B2/B8) with car parking and landscaping. The application will be registered, and be subject to full consultation in the next few days. These proposed new

units will sit adjacent to the industrial units presently being developed on the northern part of the site.

### 3.0 RATIONALE

#### 3.1 Site and Surroundings

3.1.1 The application site comprises a former Railway Goods yard, and lies within the Inner Urban Area. The northern end presently being developed is allocated as Primary Employment Area and is allocated as an Employment site within the adopted Local Plan Part 2 (LPP2).

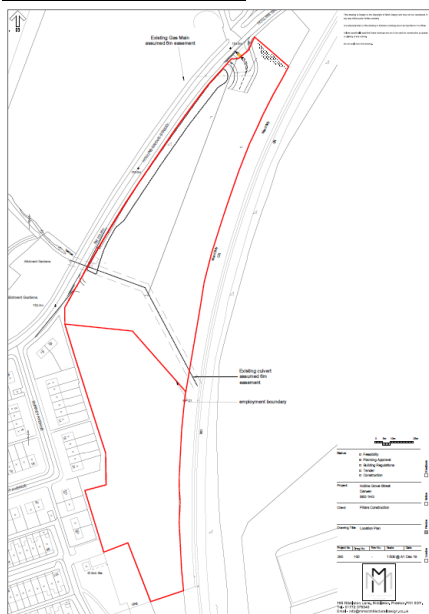
3.1.2 The site is located on the northeast side of Hollins Grove Street. The Blackburn-Bolton railway line runs to the east of the site. Residential dwellings lie adjacent the site to the west.

3.1.3 The approved Hybrid application 10/20/0107 granted full planning permission for 37 dwellings on the southern part of the site. Employment units are presently being erected on the northern part, which were approved under Reserved Matters approval 10/21/1311.

3.1.4 The site is irregular in shape being relatively long and narrow and tapering at the northern and southern ends. It is relatively flat and is bounded with a metal fence on all sides, and trees along the Hollins Grove Street frontage.

3.1.5 The existing vehicular access point lies towards the northern point of the allocated Employment site.

#### 3.1.6 Site location plan



3.1.7 The location plan above shows the Hollins industrial park site. The northern part of the site at the top of the plan is presently being developed, with the erection of 13 industrial units.

### **3.2 Proposed Development**

3.2.1 This application for a Deed of Variation relates to the s106 Agreement under planning approval 10/20/0107, in particular the full permission for 37 dwellings on the southern part of the site.

3.2.2 The southern end of the site (with full planning permission for residential) remains undeveloped. Under the approved hybrid application 10/20/0107, there was an agreed s106 contribution of £35,000 towards highway works plus a 1% monitoring fee.

3.2.3 The applicants under this current application are contesting that the residential part of the scheme is no longer financially viable, and therefore are proposing to remove the financial contribution of £35,000 towards highway works contained within the Section 106 Agreement, and have submitted a viability appraisal which has been the subject of a third party assessment commissioned by the Council.

### **3.3 Development Plan**

3.3.1 Blackburn with Darwen Core Strategy:  
Policy CS1: "A Targeted Growth Strategy"  
Policy CS5: "Locations for New Housing"  
Policy CS7: "Types of Housing"  
Policy CS8: "Affordable Housing Requirements"

3.3.2 Blackburn with Darwen Borough Local Plan Part 2:  
Policy 11: "Design"  
Policy 8: "Development and People"  
Policy 10: "Accessibility and Transport"  
Policy 12: "Developer Contributions"

### **3.4 Other Material Planning Considerations**

3.4.1 National Planning Policy Framework (NPPF)

### **3.5 Assessment**

3.5.1 The applicants have faced a number of challenges in bringing this development site forward, which have been documented in paragraph 2.1 above. If the site is not developed, it would leave a vacant site to the detriment of the local surrounding area. As such, the applicants have

requested that the financial contribution of £35,000 is removed, which will assist in bringing the site forward.

- 3.4.2 Discussions have been held between the applicants and officers to look at ways of facilitating the development ensuring it will be brought forward. The submitted viability appraisal has been assessed by the Growth Team, including a third party appraisal of the viability assessment. This has concluded that the development would be unviable if any s106 contributions were imposed. It is considered that the appraisal clearly shows a deficit on the project making the project unviable.
- 3.4.3 It is therefore recommended that the commuted sum is reduced to £0, for the reasons evidenced in the viability appraisal and the third party review.
- 3.4.4 The proposed development will provide economic benefits by providing employment land in an appropriate location within the urban area, and will help to ensure that the site is developed.
- 3.4.5 The applicants have demonstrated that the scheme is unviable as it stands, and any assistance in helping to facilitate the development should be supported. As such, it is considered in this instance, that the request to remove the financial contribution of £35,000 towards highway works should be supported.

#### **4.0 RECOMMENDATION**

- 4.1 Approve – Remove the financial contribution to highway works in the Section 106 Agreement, pursuant to application 10/20/0107.

#### **5.0 PLANNING HISTORY**

- 5.1 **10/20/0107** - Hybrid approval – APPROVED.  
Planning permission was granted for;
- Full permission for 37 dwellings, including creation of a new vehicular access, to the Southern end of the site, and
  - Outline permission with 'Access' (with all other matters reserved) for B1, B2, and B8 uses, including alterations to the existing access to the Northern end of the site.
- [S106 agreement under this hybrid approval 10/20/0107]
- 5.2 **10/21/1311** - Reserved matters for commercial units – APPROVED.  
The Reserved Matters approval granted for the 13 industrial units at the northern end of the site.
- 5.3 **10/22/0988** – Full application for Amendment to Unit 1 of the RM approval 10/21/1311 – APPROVED.

5.4 **10/23/0196** - S73 variation of the approved plan attached to 10/22/0988 (Unit 1) – PENDING.

5.5 **10/23/0414** - A separate, full planning application has recently been submitted to replace the 37 dwellings on the southern part of the site with 11 industrial units (for clarity, this is in addition to the 13 units already approved at the northern end of the site) - PENDING

## **6.0 CONSULTATIONS**

6.1 Strategic Housing Development Manager: No objections. Instruction should be given to reduce the commuted sum in the s106 to £0, for the reasons evidenced in the viability appraisal and the third party review undertaken.

## **7.0 CONTACT OFFICER:**

Tom Wiggans, Planning Officer.

## **8.0 DATE PREPARED:**

26<sup>th</sup> May 2023.