



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Growth and Development

LEAD OFFICERS: Executive Member for Growth and Development

DATE: 11th January 2024

PORTFOLIO/S AFFECTED: Growth and Development

WARD/S AFFECTED: Darwen East;

KEY DECISION: Y

SUBJECT: Acquisition of Land and Buildings at Holden Fold, Darwen for future Specialist Affordable Housing Provision

1. EXECUTIVE SUMMARY

- 1.1. This report outlines the Council's plan to acquire an industrial site known as 'Beehive Mill' on Moor Lane in Darwen with a plan of the site attached at Appendix A.
- 1.2. The Beehive Mill site is adjacent to a planned new large housing site at Holden Fold acquired by Countryside Homes, which has secured planning approval for 477 family homes of mixed size and tenure.
- 1.3. The purpose of the Council acquisition is to plan and develop much needed specialist housing to complement the adjacent Holden Fold site and provide the Council with quality affordable specialist accommodation with nomination rights managed by a Registered Provider.
- 1.4. Development proposals for the Holden Fold housing site include comprehensive off-site highway upgrades, new access roads with new and enhanced public realm which will help upgrade and regenerate the local area.
- 1.5. The Beehive Mill buildings are currently occupied by a small furniture business. The owner of the property, 'Oriental Developments Ltd' has decided to sell the site with vacant possession. It will therefore be necessary for the current occupier and tenant of the property to relocate their business to a more appropriate and suitable industrial unit. To note, this is regardless of whether the Council purchases the site.
- 1.6. Following the proposed acquisition by the Council, the site will be immediately leased to Countryside Homes for use as a site compound for 4 years with an option to extend the lease by 1 additional year. As part of the proposed lease obligations, Countryside Homes will demolish the existing buildings and clear the site ready for future development. The obligation is for Countryside Homes to have completed this activity prior to the expiry of the lease and will therefore in effect hand back a cleared site to the Council ready for development.

- 1.7. Following the expiry of the lease, the site will be developed by the Council for specialist housing, details of the scheme and development details will be provided in a future report to the Executive Board.

2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Notes the proposal for the Council to acquire the 'Beehive Mill' site, with full vacant possession, with the intention to develop the site for specialist affordable housing.
- 2.2 Grants approval for the purchase of the site for the agreed price outlined in the part 2 report.
- 2.3 Grants approval to use existing funds from the Section 106 Affordable Homes budget to purchase the site. Note the Council has adequate funds to support affordable housing provision.
- 2.4 Authorises the Growth Programme Director to finalise and complete the Heads of Terms for the purchase of the site.
- 2.5 Notes Countryside Homes interest to acquire a strip of land within the site as indicated on the plan attached at Appendix A (land shaded blue) with the purpose to facilitate the construction of two dwellings within their proposed development, subject to planning.
- 2.6 Grants approval for the Council to deal with Countryside Homes as Special Purchaser and agree terms for the disposal of the strip of land at the agreed price outlined in the part 2 report. The capital receipt is to be repaid to the Section 106 Affordable Homes budget.
- 2.7 Authorises the Growth Programme Director in consultation with the Executive Member for Growth and Development to finalise and complete the disposal terms of the strip of land to Countryside Homes.
- 2.8 Authorises the Growth Programme Director in consultation with the Executive Member for Growth and Development to finalise and complete terms to lease the site (Appendix A land edged red) to Countryside Homes for use as a temporary site compound for 4 years (plus 1 year option to extend) with a lease obligation to demolish the buildings and clear the site in lieu of an annual lease payment for the site.
- 2.9 Authorises the Deputy Director of Legal and Governance to complete the necessary legal formalities in the purchase of the site, disposal of the strip of land and granting of the lease.

3. BACKGROUND

- 3.1 The Council's Local Plan Part 2 (December 2015) identified and allocated the Holden Fold housing site of 8 Ha (45 acres) as suitable for residential development.
- 3.2 The Council subsequently adopted a Masterplan in 2021 which outlined a high-quality neighbourhood identifying spatial principles for land use, transport, design, and green infrastructure. Development proposals were required to include the provision of high-quality family homes (2, 3 and 4 bed dwellings) for market sale, affordable home ownership and affordable rent.
- 3.3 The Holden Fold housing site is part in Council ownership together with 5 additional private landowners. The Council's holding is circa 46% of the total site area and all landowners have

agreed to dispose of the site to Countryside Homes, who were selected by the landowners following a competitive tender process.

- 3.4 Countryside Homes secured planning consent in November 2023 under planning reference 10/23/0587 for the construction of 477 residential dwellings with public open space, landscaping, sustainable drainage systems (SuDS), demolition of existing stable buildings, new parking associated with the sports pavilion, additional parking off Knowle Lane, and vehicular access points off Holden Fold, Moor Lane, and Roman Road
- 3.5 The Beehive Mill is located on Moor Lane and directly adjacent to the Countryside Homes housing site at Holden Fold and occupies a prominent and visible location for the new housing development.
- 3.6 The Beehive Mill is in a state of disrepair and dilapidation and requires significant investment to comply with modern property and energy standards and as such the owner has decided to sell the property for the purposes of redevelopment given the planned investment in the Holden Fold housing site by Countryside Homes.
- 3.7 The owner of Beehive Mill site, 'Oriental Developments Ltd', intend to dispose of their property with the benefit of vacant possession and understand the owner has had discussions with the tenant and will provide an appropriate notice period for them to relocate their business.
- 3.8 Land registry records identify the site was acquired by 'Oriental Developments Ltd' in two parcels. The first parcel was acquired in 2007 and the second parcel was acquired in 2008.
- 3.9 The Council obtained an independent valuation of the site which is outlined in the part 2 report. The owner has had a separate valuation undertaken which is higher than the value provided by the Council's valuer and more in line with their historic acquisition cost.
- 3.10 The Council has agreed a purchase price with Oriental Developments Ltd which with the benefit of a forward sale of a strip of land to Countryside Homes will reduce the net acquisition price which is generally in accordance with the Council's valuation and therefore an acceptable purchase price.

4. KEY ISSUES & RISKS

- 4.1 The Council adopted a Masterplan in 2021 which outlined a high-quality neighbourhood identifying spatial principles for land use, transport, design, and green infrastructure. Development proposals were required to include the provision of high-quality family homes (2, 3 and 4 bed dwellings) for market sale, affordable home ownership and affordable rent.
- 4.2 Countryside Homes was selected as Preferred Developer for the site with the proposed housing development designed to regenerate the local area and bring inward investment to Darwen together with regenerating a former brownfield site which was formerly occupied by Darwen Moorland High School.
- 4.3 Leaving the mill site in situ with unknown future owners may compromise the new housing scheme and the Council's local strategic aims and 'Place Making' objectives set out in the adopted masterplan. Consequently, the Council believes the best option is for the Council to take a proactive step and secure the ownership of the site for future housing use removing risk of potential issues arising from conflicting adjacent uses.

- 4.4 Whilst there are a large number of new affordable homes planned for the Holden Fold site, there are no plans to develop specialist housing such as adapted homes for older people or for disabled young people and their families. The Council's Adults and Childrens teams have advised that there is currently a need for these types of homes and this need will increase over the next few years. To this end Council officers have considered potential housing solutions for the site and are supportive of securing the site for future specialist housing.
- 4.5 Purchasing the site now will ensure that the Holden Fold site is developed without any negative impact from the adjacent site and potentially undesirable future uses should the site be acquired by an unsympathetic developer or landlord.
- 4.6 Countryside Homes has agreed to lease the Beehive Mill site (Appendix A land edged red) from the Council for use as a site compound for their site works. On completion of the purchase the Council will grant an immediate and back-to-back lease to Countryside Homes with obligations to demolish the buildings which are unsuitable for use during the works. They may retain the newer building as part of their construction compound and will demolish all the buildings at the end of the lease period and hand back to the Council a cleared site ready for development. The proposed lease period will be for 4 years with an option to extend the lease for one more year.
- 4.7 Countryside Homes has agreed draft Heads of Terms to lease the site, carry out the required demolition works at their cost, to use the site as a site compound only and hand a cleared site back to the Council at the end of the agreed term.
- 4.8 Agreement has also been reached for Countryside to purchase a small strip of land from the acquired site (Appendix A land shaded blue) which will facilitate the construction of two homes and public open space as part of their planned scheme. Countryside Homes has agreed to purchase this small strip of land from the Council following the acquisition of the site by the Council. The capital receipt from this sale will be repaid back to the Section 106 Affordable Homes budget.
- 4.9 For the reasons outlined above it is recommended the Executive Board approves the purchase of the site from Oriental Developments Ltd to facilitate a positive outcome for the Council by securing a future specialist housing site for development.

5. POLICY IMPLICATIONS

- 5.1 The proposed residential development at Holden Fold will support the delivery of new homes in accordance with the Council's Local Plan and the Council's Corporate Plan.
- 5.2 Purchase of the site will provide much needed new specialist affordable homes to meet local need.
- 5.3 Proposals will also provide added benefits of aligning with the Council's vision to improve neighbourhoods, provide new homes, and improve health and wellbeing of residents.

6. FINANCIAL IMPLICATIONS

- 6.1. The purchase of the site will be funded from the affordable homes Section 106 Affordable Homes budget which has adequate funds available. The capital receipt from the sale of the small strip of land to Countryside Homes will be repaid to the Section 106 Affordable Homes budget.

6.2. The purchase price is supported by independent valuations which have been used in agreeing the purchase price with the owner.

7. LEGAL IMPLICATIONS

- 7.1 The Council has agreed the purchase price following independent valuation advice and market comparable information.
- 7.2 The purchase price of the site has been considered in the context of providing a quantity of new specialist homes for affordable rent which would form a hub for future residents and service providers. Consideration was also given to the high level of funding typically required to carry out adaptations to existing properties for specialist use or cost to provide new specialist homes such as 'Lifetime Homes.'
- 7.3 The Council will grant Special Purchaser to Countryside Homes to finalise the agreement for the disposal of the strip of land to form part of their development.

8. RESOURCE IMPLICATIONS

- 8.1 The Growth & Development team will lead the project to purchase the site and agree terms to lease the site to Countryside Homes.
- 8.2 It is proposed to use WHN Solicitors to complement in-house Council legal resources for the conveyance transaction and preparation of the lease documents. WHN Solicitors are a Blackburn based company and were employed by the landowners in preparing the legal documents for the Holden Fold site to Countryside Homes and therefore the proposal is based on ensuring continuity of the project documentation and familiarity.

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.

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.

10. CONSULTATIONS

The Council has completed a Housing and Economic Needs Assessment for the Borough as part of the Council's emerging Local Plan which recommends the Holden Fold site for residential allocation. As part of the Local Plan engagement plan the Council carried out extensive borough wide consultations in 2021 with residents, businesses, and key stakeholder groups.

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:	1.0
CONTACT OFFICER:	Subhan Ali, Growth and Development
DATE:	January 2024
BACKGROUND PAPER:	Appendix A - Plan of Beehive Mill site