



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Growth and Development
LEAD OFFICERS:	Strategic Director of Growth and Development
DATE:	16th January 2024

PORTFOLIO/S AFFECTED: Growth and Development

WARD/S AFFECTED: Blackburn Central

SUBJECT: Blackburn Town Centre - Demolition and Site Assembly of former Fleece Inn, Penny Street and Starkie Street Car Parks

1. EXECUTIVE SUMMARY

This report seeks approval to proceed with the demolition and site assembly of the former Fleece Inn, Starkie Street and Penny Street car parks and to appropriate Penny Street and Starkie Street car parks as development land in preparation for the delivery of the wider Town Centre Masterplan.

2. RECOMMENDATIONS

That the Executive Member:

1. Notes that the former Fleece Inn was acquired by the Council in 2021 from Thwaites for the purpose of site assembly and future development;
2. Notes that the former Fleece Inn suffered fire damage in 2022 following a fire caused by arson;
3. Notes that Council officers have concluded that the refurbishment of the former Fleece Inn is unviable due to nationally determined factors and pressures, including historically high interest rates and high and rising construction costs, with the viability further undermined by fire damage;
4. Approves the demolition of the former Fleece Inn and subsequent construction works required to convert the cleared site to new car parking thereby extending Penny Street car park;
5. Approves the closure of Starkie Street car park and to relocate permit holders to alternative town centre car parks;
6. Approves the ground clearance, remediation and enabling works of the Starkie Street car park site to prepare the site for future development;
7. Approves the former car park sites to be appropriated as development land for planning purposes;

8. Approves the commencement of the marketing of the enlarged Penny Street car park site for development;
9. Delegates authority to the Growth Programme Director to progress the settlement negotiations with the Council's insurer to finalise the fire damage claim for the former Fleece Inn;
10. Delegates authority to the Growth Programme Director to proceed with the procurement and appointment of consultants and contactors to support the demolition and construction works as well as obtaining any approvals for the work including planning permission and associated award where required all in accordance with the Council's procurement procedures;
11. Approves the commencement of commercial negotiations with the Council's insurance provider to agree a settlement payment for the Fleece property following the fire damage in 2022. This payment will contribute towards the costs of demolition works.
12. Notes the estimated gross capital costs for the demolition and enabling work of £250,000 will be drawn down from the Development Investment Fund with all capital to be expended over financial years 2024/25 and 2025/26 and will be offset by the insurance settlement payment.
13. Authorises the Growth Programme Director in liaison with the Deputy Director of Legal and Governance to finalise the contract terms of the consultant and contractor appointments for the demolition of the former Fleece Inn and subsequent construction works.

3. BACKGROUND

- 3.1 The former Fleece Inn property was acquired by the Council in 2021 from Thwaites for the purpose of site assembly and future development and supports the Council's town centre vision and masterplan as set out in the Council's Local Plan.
- 3.2 Acquisition of the property complemented the adjacent Council investment in acquiring the former Thwaites brewery site in joint venture with Maple Grove Developments. The established joint venture company, Maple Grove Blackburn, is preparing plans for the redevelopment of the former Thwaites site and will be bringing forward these proposals in 2024.
- 3.3 Following a fire at the property in 2021, caused by arson, a detailed assessment was undertaken to assess the damage caused and to reassess the potential for refurbishment for commercial uses, including a bar and food outlet. However, given the fire damage together with higher than anticipated interest rates and construction costs, refurbishment of the property is assessed as unviable by Council Officers and therefore demolition is recommended.
- 3.4 The demolition of the property will enable the Council to temporarily use the cleared site for additional car parking whilst the longer-term plans for redevelopment of the site are established.
- 3.5 To support the wider regeneration and development plans for the former Thwaites site, the Starkie Street car park will close with permit holders relocated to alternative town centre car parks, including the extended Penny Street site.
- 3.6 Starkie Street car park is of low quality construction with an undulating gravel surface, with customers generally being permit holders rather than pay and display users. It was always the Council's intention to leave Starkie Street as a gravel car park due to the potential for redevelopment.
- 3.7 Following the closure of Starkie Street car park, the site will be cleared and remediated together with any required enabling works to prepare the site for future development.

4. KEY ISSUES & RISKS

- 4.1 Due to the proximity of the former Fleece Inn property to both Starkie Street and Penny Street a partial closure of the footway will be required to ensure the safety of the public during the demolition works. Council officers will engage with highways officers to seek all necessary approvals and permits to ensure the safety of the public and to minimise disturbance and inconvenience.
- 4.2 Ground clearance works will be undertaken near to the Salvation Army property, which adjoins the Starkie Street car park site, and Council officers will engage with the Salvation Army to ensure all works are coordinated including any enabling works to support the future site development and regeneration plans.
- 4.3 A number of approvals will be required and Council officers will engage with all stakeholders to obtain all necessary approvals, including planning, building control, parking, highways closures and possibly party wall approvals with the Salvation Army property.

5. POLICY IMPLICATIONS

None.

6. FINANCIAL IMPLICATIONS

- 6.1 The estimated gross capital costs of £250,000 will be drawn down from the Development Investment Fund with all capital to be expended over financial years 2024/25 and 2025/26 and therefore no additional capital is required. The final agreed insurance settlement payment will offset the gross costs.
- 6.2 It is proposed the works will be undertaken in phases with consultants and contractors for the initial works being procured by quotes for packages less than £10,000 and by a restricted Invitation to Quote via the Chest procurement system utilising local suppliers for packages between £10,000 and £80,000.
- 6.4 No works packages are expected to exceed £80,000 and the Council's procurement procedures are to be adhered to at all times.

7. LEGAL IMPLICATIONS

The demolition contractor, works contractor and consultants will be procured in accordance with the Council's Constitution and the Public Contracts Regulations 2015.

8. RESOURCE IMPLICATIONS

Current staff resources from the Council's Growth, Property, Planning, Procurement and Legal teams will be utilised to complete the legal agreements and supervise the design and works on site.

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

Council Officers will ensure local businesses, residents and ward councillors are informed on the proposals through the statutory planning 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:	1.0
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CONTACT OFFICER:	Simon Jones, Growth Programme Director, Growth and Development
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DATE:	16 th January 2024
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BACKGROUND PAPER:	None
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