



# EXECUTIVE BOARD DECISION

<b>REPORT TO:</b>	Executive Member for Growth and Development
<b>LEAD OFFICERS:</b>	Strategic Director Finance and Resources
<b>DATE:</b>	13 <sup>th</sup> June 2024

**PORTFOLIOS AFFECTED:** All

**WARDS AFFECTED:** All

**KEY DECISION:** N

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**TITLE OF REPORT:** Annual Report on Companies 2023/24

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## 1. PURPOSE

1.1 This report sets out details of all the Companies that Blackburn with Darwen Borough Council has a financial interest in and is provided so that the Executive Board (effectively operating as the Council's designated 'shareholder') can discharge its responsibility of providing effective oversight of its investments, minimise risk and support the Companies to achieve their outcomes.

## 2. RECOMMENDATIONS

2.1 It is recommended that the Executive Board:-

- a) note the Council's interest in various Companies as set out in the report.
- b) note the dissolution of the Lancashire Enterprise Partnership Ltd.

## 3. BACKGROUND

3.1 The Council is recognised for the strength of its partnership working and it remains committed to continuing to collaborate closely with partners to deliver services and build capacity across sectors.

3.2 In some cases, the nature of the activities that the Council is involved in requires the creation of a separate corporate entity. This report considers the Companies that the Council has a financial interest in with a view to providing the Executive Board (effectively operating as the Council's designated 'shareholder') with assurance on these arrangements. In particular, the Financial Management Code issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), which the Council is required to comply with, states:

- the Council should have in place arrangements for the effective oversight of alternative delivery mechanisms upon which it relies for the delivery of services, assets or activities;

- where the Council works in partnership with other organisations in the delivery of services, it has in place appropriate arrangements to oversee those partnerships to ensure that they are operating effectively and to monitor achievements of the partnership's objectives.

3.3 At the meeting of the Audit and Governance Committee in March 2024, the Committee considered a report on the Council's significant partnership arrangements. In the main, the significant partnerships referred to were those where, whilst being an active participant, the Council is not necessarily required to invest funds. The partnerships referred to in this report are those where the Council is a shareholder and where there are significant financial transactions and which the Council should have adequate oversight.

## **4. RATIONALE**

4.1 This report provides an overview of the various Companies that the Council has a financial interest in so that the Executive Board (effectively operating as the Council's designated 'shareholder') can provide oversight as necessary.

## **5. KEY ISSUES**

### **Current Interests in Companies**

5.1 At the time of writing, the Council has a financial interest in the following Companies:

- Barnfield Blackburn Ltd (*Appendix A*);
- Maple Grove Blackburn Ltd (*Appendix B*);
- Growth Lancashire Ltd (*Appendix C*).

5.2 To enable the Executive Board to have effective oversight of the Companies, a summary statement of the key information for each of these Companies is provided at the Appendix shown above.

### **Lancashire Enterprise Partnership Ltd**

5.3 As the Executive Board will be aware, the Council was a shareholder in the Lancashire Enterprise Partnership (LEP) Ltd. As part of the Spring 2023 Budget Statement, the Chancellor announced that the Government was not minded to fund LEPs beyond 2023/24. As a result, LEP Ltd was dissolved in September 2023 with the Companies net assets (and residual staff) transferred to Lancashire County Council pending the development of the Lancashire Combined County Authority.

## **6. POLICY IMPLICATIONS**

6.1 There are no policy implications arising directly from this report.

## **7. FINANCIAL IMPLICATIONS**

7.1 There are no financial implications arising directly from this report.

7.2 The Council's Investment Strategy, which is reported to Finance Council on an annual basis, sets out the basis on which the Council will advance funding to Companies. The table below summarises this:-

<b>Category of Borrower</b>	<b>Approved Limit £m</b>	<b>Actual Advances at 31<sup>st</sup> March 2024 £m</b>
Subsidiaries	2.5	-
Joint Ventures	5.0	2.1
<b>Total</b>	<b>7.5</b>	<b>2.1</b>

7.3 At the time of writing, the Council had advanced funding of £775k to Barnfield Blackburn Ltd and £1.323m, a total of £2.098m against an approved limit of £5.0m.

## **8. LEGAL IMPLICATIONS**

8.1 There are no legal implications arising directly from the contents of this report.

## **9. RESOURCE IMPLICATIONS**

9.1 There are no other resources implications arising from the contents of this report.

## **10. EQUALITY AND HEALTH IMPLICATIONS**

10.1 There are no equality and health implications arising from the contents of this report.

## **11. CONSULTATIONS**

11.1 None arising from the contents of this report.

## **12. STATEMENT OF COMPLIANCE**

12.1 None arising from the contents of this report.

### **Appendices**

Appendix A – Barnfield Blackburn Ltd

Appendix B – Maple Grove Blackburn Ltd

Appendix C – Growth Lancashire Ltd

<b>VERSION:</b>	1
<b>CONTACT OFFICER:</b>	Dean Langton
<b>DATE:</b>	25 <sup>th</sup> March 2024
<b>BACKGROUND PAPERS:</b>	None

### **Barnfield Blackburn Ltd – Company No. 11407219**

**Decision to Establish:** Executive Board

**Company Type:** Private Limited Company

#### **Overview**

Barnfield Blackburn Ltd was established following a decision by the Executive Board on 5<sup>th</sup> July 2018 to create a Special Purpose Vehicle (SPV) for the redevelopment of Land at Milking Lane, Lower Darwen with Barnfield Group Ltd.

Barnfield Group Ltd had secured exclusivity of the Land at Milking Lane and creating the SPV provided the Council with the opportunity to ensure that the site is developed and that the development is accelerated to generate a positive return for the Council and directly support growth in jobs and housing.

#### **Blackburn with Darwen Ownership:**

The Council has a 25% equity shareholding (with Barnfield Group Ltd having a 75% equity shareholding) (*it should be noted that the investment in the SPV for the Chapels Site, Darwen is has been shared equally by the Joint Venture Partners*).

#### **Council Governance**

Decisions relating to the Council's involvement in Barnfield Blackburn Ltd are taken in accordance with Article 13 – Decision Making as set out in the Council's Constitution.

#### **Update as at 31<sup>st</sup> March 2024**

The SPV has disposed of most of the land parcels at Milking Lane, including two residential parcels to Elan Homes and commercial land parcels (plots 1, 2 and 3) to Barnfield Developments. The final commercial land parcel, plot 4, is being sold to Hippo Motors Group, and contracts have been exchanged. Hippo Motors Group obtained planning permission in 2023 for the plot 4 land parcel.

Since the initial acquisition of the land at Milking Lane, the SPV has since acquired a former Council owned site at Chapels in Darwen. This site has remained undeveloped for over 20 years due to significant abnormalities and site constraints. The SPV was successful in a bid for Darwen Town Deal funding and subsequently submitted a planning application to the Council in 2023 and is currently awaiting approval with the expectation for a start on site late 2024 following completion of necessary service diversions.

#### **Financial Performance**

Detailed of the Company's Financial Statements are filed at Companies House ([www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)).

The latest published Accounts for the Company are as at 31<sup>st</sup> December 2022. These indicate a net equity of £1.327m of which the Council's share is £0.331m.

The next publication date for the Company's Accounts as at 31<sup>st</sup> 2024 is 31<sup>st</sup> December 2024.

### **Audit Assurance**

The Company's Auditors are Pierce C.A Ltd. The Auditor's report on the Accounts referred to above was unqualified.

### **Blackburn with Darwen Directors on the Board**

Martin Kelly, Strategic Director for Growth and Development (appointed 23<sup>rd</sup> June 2023)  
Simon Jones, Growth Programme Director (appointed 6<sup>th</sup> November 2018)

### **Company Contact Details**

The Company's registered office is 8 Kenyon Road, Lomeshaye Industrial Estate, Nelson, Lancashire BB9 5SP.

### **Maple Grove Blackburn Ltd – Company No. 13246288**

**Decision to Establish:** Executive Board

**Company Type:** Private Limited Company

#### **Overview**

Maple Grove Blackburn Ltd was established following a decision by the Executive Board on 11<sup>th</sup> February 2021 to create a Special Purpose Vehicle (SPV) for the redevelopment of the former Thwaites site in Blackburn Town Centre with Maple Grove Developments Ltd.

Maple Grove Developments Ltd had secured exclusivity of the site from Thwaites and creating the SPV provides the Council with the opportunity to influence the master planning and the delivery of the site in a way that maximises the outcomes for the local area. It has also allowed the Council to develop a holistic strategy for that area of Blackburn Town Centre, particularly the adjacent Council-owned former Blackburn Markets and other Council assets in the area.

#### **Blackburn with Darwen Ownership:**

The Council has a minority shareholding of 49% (with Maple Grove Developments Ltd holding a majority shareholding of 51%).

#### **Council Governance**

Decisions relating to the Council's involvement in Barnfield Blackburn Ltd are taken in accordance with Article 13 – Decision Making as set out in the Council's Constitution.

#### **Update as at 31<sup>st</sup> March 2024**

The SPV had been working exclusively with Morrisons on a proposal to relocate their existing store to the former Thwaites site and submitted a planning application for the scheme in February 2024. However, Morrisons informed the SPV late March of their decision not to proceed with the development and instead intended to focus investment on their store. The SPV will continue to explore options for the site in consultation with the Council and other stakeholders.

#### **Financial Performance**

Detailed of the Company's Financial Statements are filed at Companies House ([www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)).

The latest published Accounts for the Company are as at 31<sup>st</sup> March 2023. These indicate a net liability of £3,388 of which the Council's share is £1,660.

The next publication date for the Company's Accounts as at 31<sup>st</sup> March 2024 is 31<sup>st</sup> December 2024.

## **Audit Assurance**

The Company's Auditors are Fairhurst. The Auditor's report on the Accounts referred to above was unqualified.

## **Blackburn with Darwen Directors on the Board**

Martin Kelly, Strategic Director for Growth and Development (appointed 23<sup>rd</sup> June 2023)  
Simon Jones – Growth Programme Director (appointed 5<sup>th</sup> March 2021)

## **Company Contact Details**

The Company's registered office is Sceptre House, Sceptre Way, Bamber Bridge, Preston, Lancashire PR5 6AW.

### **Growth Lancashire – Company No. 05310616**

**Decision to Establish:** Executive Board

**Company Type:** Private company limited by guarantee without share capital

*(Lancashire County Council act as the Company Secretary)*

### **Overview**

Growth Lancashire was originally established in 2004 as Elevate East Lancashire with a focus on the delivery of the Housing Market Renewal (HMR) Initiative in East Lancashire. At that time, the Company was owned by Blackburn with Darwen, Burnley, Hyndburn, Lancashire, Pendle and Rossendale Councils. In 2007, it became responsible for the delivery of the Local Enterprise Growth Initiative.

In 2010, following the termination of the HMR Programme, the Company was renamed Regenerate Pennine Lancashire and became responsible for the delivery of various funded projects either directly (for example Regional Growth Fund) or on behalf the Lancashire Local Enterprise Partnership (Boost, Growth Sector Support service).

In 2016, the Company changed its name to Growth Lancashire and widened its geographical spread to Lancashire. Since then, the number of Councils joining the Company has increased. Likewise, to help sustain the Company, the scope of services provided has increased to include heritage, conservation and arboriculture works in addition to providing the essential frontline services for Lancashire's Business Growth Hub in the delivery of business support for the county.

**Blackburn with Darwen Ownership:** The Council is a Member of the Company.

### **Update as at 31<sup>st</sup> March 2024**

The Company currently consists of 14 permanent staff, a bank of 10 casuals to provide a flexible resource to call on and turns over approximately £850,000.

Growth Lancashire has been a procured delivery partner of Boost, Lancashire Business Growth Hub for 10 years and in September 2023 was successfully re-procured to deliver Boost's Helpline and Business Advice Service. The Helpline Team handle on average 130 enquires each month from people starting-up a business in Lancashire or business owners who need advice such as accessing finance, help to grow sales and overcoming specific challenges. Eligible businesses are offered a meeting with a Business Adviser who gets to know their obstacles and introduces them to the right support. Business Advisers meet with approximately 800 businesses a year.



The specialist services team deliver heritage and conservation planning advice on behalf of a substantial number of Local Authorities in Lancashire, advising on almost 1,000 applications a year. They also undertake conservation area appraisals, produce Heritage Statements and provide support on enforcement matters. The company also provide services for private clients and to a small number of local authorities in the Lancashire County Palatine. More recently the team have diversified and now deliver an arboriculture service; tree preservation orders, works to trees in conservation areas and planning developments affecting trees.

In addition to this the company has provided other services such as project management, grant administration, due diligence, project evaluation and supply of business advisers to local authorities.

Member local authorities are Blackburn with Darwen, Blackpool, Burnley, Chorley, Fylde, Hyndburn, Lancashire, Lancaster, Pendle, Rossendale and West Lancashire.

### **Financial Performance**

For 2023/24, the Company is expected to achieve break even and at 31<sup>st</sup> March 2024, the Company is expected to have reserves of £237k.

Blackburn with Darwen Borough Council acts as the Accountable Body for Growth Lancashire.

### **Audit Assurance**

The Company's accounts are subject to audit as part of Blackburn with Darwen's Statement of Accounts.

### **Blackburn with Darwen Directors on the Board**

Cllr Quesir Mahmood, Executive Member for Growth and Development.

### **Company Contact Details**

The Company's registered office is PO Box 100, County Hall, Democratic Services, Lancashire County Council, Preston, Lancashire, England PR1 0LD.

