



# EXECUTIVE MEMBER DECISION

**REPORT OF:** Executive Member for Finance and Governance  
Executive Member for Growth & Development

**LEAD OFFICERS:** Director of Growth and Development

**DATE:** 22<sup>nd</sup> May 2019

**PORTFOLIO/S AFFECTED:** Finance and Governance

**WARD/S AFFECTED:** Darwen South

**SUBJECT:** Disposal of land and buildings at Springvale Business Park Darwen.

## 1. EXECUTIVE SUMMARY

Springvale business park comprises of a c1980s build terrace of 3 steel portal frame industrial units totalling 4600sqft, although they are in reasonable condition they are showing signs of age that will require landlords' investment in the coming years.

1<sup>st</sup> Choice occupy premises at Unit A Springvale Business Park Darwen, which they rent from Blackburn with Darwen Borough Council. They also occupy private owned premises on adjacent land that shares the same access; these premises are on land previously disposed of by the Council to facilitate expansion over 10 years ago.

The company have again expanded and are looking at long term options for their business premises. They have approached the Council and expressed a desire to purchase the freehold interest of the premises they occupy at Unit A and additional adjoining units' B & C to allow continued future growth without vacating the Borough. The current leases of units' B & C would transfer in current form upon disposal of the freehold with 1<sup>st</sup> Choice inheriting landlords' responsibilities as detailed in the individual leases.

Prior to 1<sup>st</sup> Choice taking occupation by way of a lease, the premises known as Unit A were empty for a long period. The location of the site has historically impacted on the ability to let the premises as they are in a periphery location with access to nearest motorway networks being approximately 4 miles via Darwen Town Centre.

## 2. RECOMMENDATIONS

That the Executive Member:

1. Grants the tenant 'special purchaser' status in accordance with the Council's disposal policy and
2. Approves the disposal of land and buildings referred to in this report on the terms recommended.

### 3. BACKGROUND

1<sup>st</sup> Choice are currently holding over from a lease which expired in January 2019. They have expanded in recent years but need to further expand and are currently considering their future options. The options available include extending within the current site. However, they are reluctant to incur the expenditure required unless they hold the freehold. They have also considered sale of their privately owned premises and re-location of the business elsewhere including outside of the Borough. Currently the company employs over 15 individuals who reside in the Borough.

### 4. KEY ISSUES & RISKS

The proposed sale would encourage the company's continued expansion within the Borough and protect existing jobs as well as helping to create conditions that would encourage the creation of additional opportunities. Negotiations have been conducted and terms have been provisionally agreed.

### 5. POLICY IMPLICATIONS

The disposal method accords with the Council's approved policy for disposal in that a sale to an existing tenant is a typical example of where it is appropriate to grant the special purchaser status.

### 6. FINANCIAL IMPLICATIONS

The Council will receive a capital receipt but lose the annual rent.

### 7. LEGAL IMPLICATIONS

The reasoning and consideration as to the Council's disposal policy has been discussed elsewhere. Under s123 of the Local Government Act 1972, the Council is obliged to obtain best consideration reasonably obtainable.

### 8. RESOURCE IMPLICATIONS

Legal and surveyor resources are required to complete the transaction.

### 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

The proposal has been subject to extensive consultations between Council Officers and relevant members of the Growth Board.

## 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 and published if applicable.

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	Cindy Rhodes
<b>DATE:</b>	20 <sup>th</sup> May 2019
<b>BACKGROUND PAPER:</b>	