

**REPORT FROM: CHIEF EXECUTIVE**

**TO: POLICY AND RESOURCES COMMITTEE**

**DATE: 17<sup>th</sup> DECEMBER 2020**

**Report Author: Tony Brown**  
**Tel. No: (01282) 878938**  
**E-mail: anthony.brown@liberata.com**

**ACQUISITION OF TRAFALGAR HOUSE,  
BOOTH STREET, NELSON**

**PURPOSE OF REPORT**

To seek approval to acquire Trafalgar House, Nelson for demolition and subsequent construction of a town centre car park.

**RECOMMENDATIONS**

1. That the acquisition of the property be approved.
2. That the Chief Executive be authorised to pursue options available for the demolition of the building and redevelopment of the site.

**REASONS FOR RECOMMENDATIONS**

1. To secure ownership for the Council to enable it to halt the long term deterioration of the building and blight on surrounding properties in the town centre.
2. To remove the risk of danger to passers-by and damage to vehicles and adjacent buildings from defective or damaged building fabric.
3. To consider options available in relation to retention, demolition and redevelopment of the building or cleared site (in part or whole).

**ISSUE**

**Background**

1. Trafalgar House is a former three storey office building which lies within a conservation area and is accessed from Booth Street adjacent to Nelson Town Hall. It was acquired by the current owner in November 2004 at a price of £800,000 as a then recently refurbished and tenanted investment asset, whose occupiers at the time included HMRC and the Citizen's Advice Bureau.

2. Members are aware that the building has sat empty for a number of years, open to the elements and has severely deteriorated as a result of lack of maintenance, break-ins, theft of slate and stone and external and internal vandalism. The building has also attracted a significant amount of anti-social behaviour within and to the rear on Back Ellen Street and is a source of blight to the adjacent town centre properties and neighbouring businesses.
3. Nelson Committee, at its meeting held 1<sup>st</sup> July, 2019, resolved that Notice be served on the owner, pursuant of Section 79 of the Building Act 1984, requiring the condition of the building to be improved from its current dilapidated state.
4. It also resolved that the Planning, Economic Development and Regulator Services Manager be asked to submit a report to the Policy and Resources Committee regarding compulsory purchasing the building. Prior to the making of a Compulsory Purchase Order (CPO) the acquiring authority must exhaust all attempts to acquire the property by negotiation.
5. The owner subsequently responded to the Notice by removing dangerous and loose elements and re-securing the building but did not make the building wind and watertight. Service of the Notice and part compliance did however provide an opportunity to hold discussions with the owner in relation to its possible acquisition by the Council prior to CPO.
6. Prior to the start of the Coronavirus Pandemic, the owner appointed a Surveyor to provide him with valuation advice and a figure of £600,000 was submitted to the Council for consideration. This was deemed not to reflect the market value of the property in current condition and despite negotiation agreement was not reached as to the building's value.

### **Current position**

7. The building has since suffered further vandalism and damage and it would appear to be uneconomical to retain and refurbish it for use as office space (or alternative use) where there is currently low demand for such in the town centre.
8. Members will be aware that a Masterplan is currently being prepared for Nelson, that a funding bid has been submitted for Future High Streets Fund and that a Town Investment Plan is being prepared to secure grant through the Towns Fund. The re-use and redevelopment of vacant and underused sites, particularly in the Town Centre, is considered to be a key priority to support the regeneration and economic growth of Nelson.
9. Trafalgar House has been identified as a key vacant building which needs to be dealt with. A range of refurbishment and redevelopment options have been looked at, all of which would require considerable investment and are unlikely to be viable without public intervention. The condition of the building and the lack of adjacent car parking means that even if gap funding could be secured for refurbishment there may be problems attracting an end user.
10. In advance of submitting a Town Investment Plan the Council has however recently received £750k Accelerated Funding from the Ministry of Housing, Communities & Local Government to immediately fund capital projects that are in line with the Towns Fund intervention framework. This funding can be used to acquire this building and similar properties requiring intervention by the Council to prevent further decline and allow for future redevelopment.
11. The Towns Fund Accelerated Funding has to be spent by March 2021 which would allow for the acquisition and demolition of this long term derelict building. The outcome of the Towns Fund bid will help to determine the future use of the site.

12. The Council has obtained estimates for the demolition of the building (in part or whole) and re-development, to create additional much needed car parking within the town centre in the shorter term and to allow for the potential redevelopment of the site in the future but these would be subject to normal tendering processes. The site area measures 0.16 of an acre and would provide for 30 standard car parking spaces and 5 accessible spaces.
13. A recent meeting was held with the Owner to re-open negotiations. As a result of this, a purchase price of £350,000 was agreed, subject to this Committee's approval.
14. This agreement will avoid the need to make a lengthy and costly CPO, the confirmation of which can never be guaranteed and which will result in further decline of the building and continued negative impact on this area of the town centre and possible danger to passers-by, trespassers and adjacent property owners. Acquisition and demolition will result in an 'early win' for the regeneration of the Town Centre,
15. The building has an attractive but damaged and poorly maintained frontage on to Market Street, which may not be economical to retain and repair. However, as it lies within a conservation area, further discussion will be needed with the Planning Manager.

## **IMPLICATIONS**

**Policy:** None directly arising from this report

**Financial:** The cost of acquiring the property has been agreed at £350,000; the Council will have to pay Stamp Duty Land Tax of £7,000 giving an overall cost of £357,000. The monies provided from the Accelerated Funding under the Nelson Town Deal will be used to acquire the site. Acquiring the property by private treaty would mitigate any costs that may be incurred by officer time and costs in making a CPO. The funding has to be spent by 31<sup>st</sup> March, 2021.

**Legal:** Each party would bear its own legal costs. It is assumed there are no encumbrances or covenants which would prevent the Council from developing the site as proposed.

**Risk Management:** The building has historically and currently presents a risk to passers-by from injury or death caused by materials that may fall from the building. Damage to vehicles parked on Back Ellen Street and Booth Street may also be damaged by falling materials.

**Health and Safety:** As above and there is also a risk to persons who may trespass within the building from injury resulting from the defects within the building.

**Sustainability:** Creating additional off-street parking in this location may attract businesses in to the town centre setting.

**Community Safety:** As above in terms of health and safety and in relation to anti-social behavior which exists around the building.

**Equality and Diversity:** The proposal could provide 5 additional accessible car parking spaces.

**APPENDICES** Location plan.

**LIST OF BACKGROUND PAPERS** Previous report to Nelson Committee.