

**REPORT FROM: HOUSING, HEALTH AND ENGINEERING SERVICE
MANAGER**

TO: POLICY AND RESOURCES COMMITTEE

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REVITALISED NELSON PROJECT

PURPOSE OF REPORT

To seek approval to begin initial steps towards the preparation of a Compulsory Purchase Order (CPO) for Pendle Rise Shopping Centre, which is a priority building within the Revitalised Nelson project in the Nelson Town Deal.

RECOMMENDATIONS

Policy and Resources Committee are asked to:

- (1) Authorise initial steps to prepare a Compulsory Purchase Order for Pendle Rise Shopping Centre.

REASON FOR RECOMMENDATION

To begin initial steps to secure the regeneration of the site.

ISSUE

Background

1. Pendle Rise is Nelson's primary shopping centre. It comprises over 100,000 sq ft of retail accommodation with over 15,000 sq ft of long term vacant office space above. Whilst the centre contains a number of high street names, as well as some independent local retailers, it has been in decline for a number of years. The centre suffers from high vacancy rates and does not meet the needs of modern occupiers. It presents a poor image and a poor offer to the town, dividing already low footfall between those shoppers inside the centre and those on the high street.
2. The centre is currently in private ownership, having been acquired by its current owner in 2017.

Nelson Masterplan, Town Investment Plan and Town Deal

3. In 2021, Pendle Borough Council approved a masterplan and a Town Investment Plan for Nelson. Both of these documents highlight that a healthy and vibrant town centre is integral to the success of the wider town.
4. The masterplan includes a 10 point strategy for regenerating the town centre. The priority action within this strategy is the need to repurpose / regenerate Pendle Rise. Without intervention, further decline of the Centre is inevitable and it will continue to drag the wider town down. The report also highlights that the Centre is not likely to be able to be transformed by private sector investment alone, and a future solution will require public sector intervention.
5. Following the submission of the Town Investment Plan to Government, Nelson has secured a £25m Town Deal to deliver a number of strategic projects within the town. The regeneration of Pendle Rise is a priority scheme within the Revitalised Nelson project, for which Pendle Council are the lead delivery organisation. Funding through the Town Deal provides the opportunity to intervene in the failing shopping centre as part of a wider strategy to regenerate and reposition the town. All Town Deal projects must be delivered by the end of March 2026.
6. The Council have recently appointed Brookhouse Group as their new Joint Venture Development Partner. Brookhouse will work with the Council to support delivery of the Nelson Town Deal, with consideration of a scheme to regenerate Pendle Rise being progressed a priority.

Acquisition of Pendle Rise

7. Over the course of the last few years, the Council have held discussions with the current owner about acquiring the Centre subject to funding being secured. During this time, Liberata Property Services have requested a range of information from the owner in order for them to produce a valuation of the shopping centre. Unfortunately not all the information required has been provided. Without this information the Council has not been able to make an offer for the shopping centre as this needs to be informed by an up to date valuation. Liberata have recently sought additional advice from a leading Manchester based surveying company with retail expertise. They have confirmed that they are also unable to provide a valuation without the requested information.
8. Whilst discussion and negotiation with the owner will continue, the timetable for spending the Town Deal funding is tight. Approval is therefore sought to begin the initial steps to prepare a CPO in order to support the deliverability of the scheme; a key consideration in the project business case. A further report seeking authority to promote a CPO, if the site cannot be acquired through negotiation, would be brought to this committee once this preparatory work is complete.
9. The approximate extent of the land required to secure the regeneration of the site is shown in the attached plan (Appendix 1). The full range of interests in the site would need to be established through the serving of requisition notices under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976.

IMPLICATIONS

Policy: A priority action within the agreed Nelson Masterplan and the Nelson Town Investment Plan is the need to repurpose / regenerate Pendle Rise Shopping Centre.

Financial: Assuming the Centre is acquired as a going concern then the running cost of the Centre will pass to the Authority. As we have no information from the owner as to the current costs and leases in place there is a clear financial risk to the Authority that the Centre will run at a loss. The running costs cannot be funded via Town Deal Funding and would fall on the Council's revenue budget to fund unless agreement can be reached with the Joint Venture Company to underwrite these costs. There is no agreement in place at this time in this respect.

Legal: A CPO is a legal mechanism by which a local authority can acquire land without the consent of the owner. Compulsory purchase powers can support the delivery of a range of development, regeneration and infrastructure projects in the public interest; helping to bring about improvements to social, economic and environmental wellbeing. This report seeks approval to begin the initial steps to prepare a CPO. A further report seeking authority to promote a CPO, if the site cannot be acquired through negotiation, would be brought to this Committee at the appropriate time.

Risk Management: There is a risk that the land cannot be acquired by agreement, so it is necessary to prepare a CPO to enable the regeneration of the Centre through the Nelson Town Deal.

Health and Safety: None directly arising from this report.

Sustainability: A healthy and vibrant town centre is integral to the success of the wider town.

Community Safety: None directly arising from this report.

Equality and Diversity: None directly arising from this report.

APPENDICES

Appendix 1 – Draft plan showing the approximate extent of the land required to secure the regeneration of the site

LIST OF BACKGROUND PAPERS

Nelson Town Investment Plan – report to this Committee, February 2021

Draft Final Nelson Masterplan - report to this Committee November 2021