

REPORT FROM: Director of Place

TO: Executive

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TRAFALGAR HOUSE, NELSON

PURPOSE OF REPORT

To set out options for the Trafalgar House site in Nelson Town Centre and deliver the constituent parts of the original Town Deal funded proposals for the site.

RECOMMENDATIONS

- (1) To approve either partial or full demolition of Trafalgar House and leave a cleared site suitable for car parking and possible future redevelopment.
- (2) To approve reconfiguration of the area between the rear of Number 1 Market Street and the ACE Centre by constructing additional parking to include some Electric Vehicle Charging (EVC).
- (3) To note the virement of £25,000 of Trafalgar House Town Deal funding to the redevelopment of Pendle Rise Shopping Centre to support the inclusion of 14 EVC spaces in that scheme.
- (4) To note that options for revenue models for the provision of photovoltaic cells to power EVCs at the ACE Centre / Pendle Rise are being reviewed.
- (5) To note that a further report on options for the projected underspend of Town Deal funds as a result of the proposals will be brought to Committee.

REASONS FOR RECOMMENDATIONS

- (1) To safely demolish the existing Trafalgar House structure before further deterioration in its condition risks collapse and a danger to public safety.

To provide for a site for potential future redevelopment at a time when economic conditions are more conducive for investment into Nelson Town Centre following redevelopment of Pendle Rise Shopping Centre.

To ensure a timely decision to enable the project to be completed within the timelines set out within the conditions relating to the Town Deal Fund.

- (2) To ensure that the benefits of providing additional and convenient parking for the ACE Centre, set out within the original Trafalgar House proposals, are permanently safeguarded within the overall Revitalised Nelson programme.
- (3) To ensure that the benefits of providing additional EVC parking for Nelson Town Centre, proposed within the original Trafalgar House proposals, are permanently safeguarded within the overall Revitalised Nelson programme.
- (4) For information.
- (5) For information.

ISSUE

1. Trafalgar House was originally built as Nelson Technical School and in later years was used by Nelson & Colne College and Lancashire County Council, but has been disused for many years and has fallen into significant disrepair.
2. Trafalgar House was acquired by Pendle Borough Council in 2021 using Accelerated Town Funds. Since then, the building has been closed off from access due to it being unsafe to enter. The building is no longer weather tight and as a result the condition of the building is deteriorating. The building is not Listed but does have a historic front part to its structure with a more modern long extension behind. All parts of the building are in poor condition. Decisions need to be reached as to its future.
3. The redevelopment of Trafalgar House was included in the Revitalised Nelson Programme (Revitalised Nelson) as part of the Town Deal along with the redevelopment of Pendle Rise Shopping Centre and the provision of Relocation Properties. The aim of Revitalised Nelson is to regenerate Town Centre assets through a delivery vehicle - Penbrook Developments Limited (Penbrook) - which is a joint venture between The Council and Brookhouse Developments Limited.
4. In 2022, an options report was produced for Trafalgar House by David Morley Architects. This report considered a number of uses for the building. The suggested development, which was adopted in principle by the Town Deal Board, was retaining the front portion of the building to include for a ground floor commercial unit and a single first floor 2 bedroom flat, with a demolition of the newer part of the building to the rear and in its place create 14 covered parking spaces each with an Electric Vehicle Charging Point (EVC).
5. The cover to the car park spaces was proposed to house Photo Voltaic (PV) Cells in order to provide power to the EVCs.
6. Part of the rationale for choosing this scheme was to provide additional parking for the ACE Centre and therefore increase its attractiveness to potential new business tenants.
7. A budget of c£1.6million was allocated for Trafalgar House, however, the cost plan for the original proposals gave a figure of just under £1.8million. An appraisal of the development by Penbrook Developments Limited showed the proposals not to be viable, with a funding gap of between £160,000 and £250,000 in 2022. The cost estimate of £1.8million has been revised to reflect 2024 levels and is now estimated at c£2.15million, increasing the funding gap to c£550,000 over and above the Town Deal funding available.
8. However, there are alternatives for the provision of additional car parking spaces to service

the ACE Centre and for the provision of EVCs.

9. A design study has been produced by the PBC Engineering Department which shows that re-engineering of the courtyard area between the ACE Centre and No 1 Market Street, which is land owned by Pendle Borough Council, can provide for around 43 additional car parking spaces for the ACE Centre.
10. At the same time the plans for the redevelopment of Pendle Rise Shopping Centre include the potential for EVCs in response to planning requirements.
11. During the 2023 public consultation undertaken as part of the planning process for the redevelopment of Pendle Rise Shopping Centre (PRSC), leisure and recreational uses were popular suggestions.
12. A review of the David Morley Architects report for Trafalgar House showed that similar leisure uses were proposed at the time, but were not explored by their report.
13. Given the funding gap for the original Trafalgar House proposals and the options for realising the benefits of additional ACE Centre parking and EVCs, as originally proposed for the site, the feasibility of repurposing the Trafalgar House site for leisure and recreational uses was examined.
14. In 2023 Pendle Borough Council commissioned Alliance Leisure to conduct a review of leisure facilities across the borough. This work was carried out on behalf of Alliance Leisure by Strategic Leisure who produced the Pendle Leisure Facility Option Appraisal 2023. This report was presented to Executive in December 2023.
15. In the context of this leisure review, Strategic Leisure were commissioned to see whether Trafalgar House could provide for additional recreational facilities, of a type not normally found in the leisure centres. They were provided with details of the PRSC consultation, to which they added the findings from the Leisure Review. They then conducted new consultations with a range of stakeholders including young people at Nelson & Colne College and the Yes Hub.
16. Visuals were produced to show the feasibility of the use of the Trafalgar House shell / site for various leisure uses including an Indoor Cricket Pitch (a popular sport with consultees – not be confused with indoor cricket nets only) and social gaming. This pack was later updated by Strategic Leisure to show other options for the space (background documents).
17. The construction cost of the concept design excluding fit-out (as this would have depended on final usage) was estimated by Howell Goodfellow Quantity Surveyors at £3million and this estimate was subsequently endorsed by Barnfield Construction Limited to ensure the robustness of figures quoted.
18. Following their initial report (Appendix One), Strategic Leisure were commissioned to do more work on the optimum mix of facilities - a complex consideration of physical space, demand, longevity, fit-out costs, operating costs, flexibility and profitability. Having considered various options, the second Strategic Leisure Report (Appendix Two) identified a multi-use community events space as the optimum use for the £3 million redevelopment of the building should it be kept and repurposed for community recreation / leisure use.
19. This usage depends on finding a suitable and committed operator, which despite conversations held by Strategic Leisure with established local Leisure Operators such as Pendle Leisure Trust, Burnley FC in the Community and also Active Lancashire has not been possible: No expressions of interest have been forthcoming, and the Strategic

Leisure report concludes that there is no clear choice of operational model.

20. Without an operator, with a clear viable business plan and suitable covenant strength, it is not possible to fund the development: While the Strategic Leisure Report outlines the potential for £1.1million from Penbrook, any Penbrook investment must reach the 10% return threshold in line with the Shareholder agreement. Neither the Strategic Leisure proposal, nor the original proposal centred around EVCs, reaches the 10% return threshold. This means neither will attract funding from Penbrook and so both remain unviable and undeliverable.
21. The Strategic Leisure report identifies that the *'real issue is the operational and financial viability and sustainability of the redeveloped space, and particularly at this moment in time, when the impact and draw effect of the redeveloped PRSC has yet to be seen'*. In theory this may suggest a 'do-nothing' option is advocated to allow for the redevelopment of PRSC to take place and the relocation property programme to impact on the building stock in the town centre. Unfortunately, the rapid deterioration in the building and the funding deadline of March 2026 do not allow sufficient time for this option.
22. However, the principle of leaving options for the site open, until the conditions and proposition for investment in Nelson are maximised post completion of the redevelopment of Pendle Rise, is sound and therefore this option has been further explored.
23. Both the original car park canopy proposal and a concept for indoor cricket or flexible community event space involved the partial demolition of Trafalgar House to allow for the construction of either option to the rear of the historic front portion of the building. Partial demolition to leave a development ready site at the rear has therefore been considered as an option. This has been costed by Howell Goodfellow Quantity Surveyors at £1.34million (Appendix Three).
24. This option would save the exterior of the historic front element of Trafalgar House, with a basic internal refit across all floors to provide some commercial lettable space. This would address the deterioration in the building through demolition and refurbishment and would leave a development ready site to the rear - leaving future options open.
25. This option does however still leave the issue of investing in a building with no definite use or operator identified, potentially leaving the Council with a void. It would also limit the future development options for the site and potentially look out of place and scale with just the front of the building left - see visual Appendix Four. A second option has therefore been considered of total demolition, which has been estimated by Howell Goodfellow Quantity Surveyors at an estimated cost of £600,000 – a saving of around £400,000. For either option the demolished section would be levelled and tarmacked and left available as parking in the short-term pending a viable redevelopment proposal coming forward for the site.
26. As mentioned in paragraphs 9 and 10 there are options to deliver the original Town Deal proposals for Trafalgar House. Additional car parking spaces, primarily designed to service the ACE Centre, to include some EVCs can be provided in the area to the rear of Number 1 Market Street and the ACE Centre as shown in the scheme laid out in Appendix Five. This scheme shows potential for up to 14 EVCs, but a cost allowance has been included for 6 at this stage.
27. In addition to the opportunity for EVCs to be provided at the extended ACE Centre car park, the redevelopment of Pendle Rise offers the opportunity to provide the 14 EVCs originally proposed.

28. The original Trafalgar House scheme for EVC spaces proposed they were covered with canopies covered with PV cells. Since the original Town Deal bid was submitted there has been significant development in the PV market, with operators offering revenue contracts which minimise capital outlay: The operator supplies the PV infrastructure at their cost and then through a guarantee of the sale of electricity, or an agreed portion of it, that is generated by the PV panels over a number of years, the operator turns a profit on their investment. The Executive Committee is asked to note that options for such an arrangement as part of these proposals (for PVs powering EVCs at the ACE Centre and/or Pendle Rise) are being explored by the Director of Place and Director of Resources and will be subject to a separate report should a financially attractive option be found.
29. This means that the Pendle Rise redevelopment and the re-engineering of the No. 1 / ACE Centre Courtyard, could replace the proposed Trafalgar House car parking EVC spaces, and provide additional parking that is closer to the ACE Centre than Trafalgar House. The cost of the proposals breaks down as follows:

Partial Demolition	£
Demolition Works and Making Good	444,705
Construction works to retained building	565,988
New Parking at ACE Centre to include 6 EVCs*	105,000
Virement to PRSC for contribution to 14 EVCs	25,000
Car Park Construction	200,000
Total Cost	1,340,693
Town Deal Funding Available	1,615,000
Balance	274,306

Total Demolition	£
Demolition Works and Making Good	600,000
Construction works to retained building	0
New Parking at ACE Centre to include 6 EVCs	105,000
Virement to PRSC for contribution to 14 EVCs	25,000
Car Park Construction	200,000
Total	930,000
Town Deal Funding Available	1,615,000
Balance	685,000

*cost estimate supplied by PBC engineering department plus estimate for 6 EVCs based on budgeted cost for PRSC

30. Both of the proposed options generate an underspend against the Town Deal funding available for Trafalgar House. This projected underspend may provide opportunities to explore residential conversion of the first floor. Alternatively, as the project forms part of the Revitalised Nelson programme any underspend will automatically become available to other elements such as Pendle Rise and Relocation Properties.
31. For example, this could further support elements of the Pendle Rise development including the cost of Public Realm and Highway improvements at Pendle Rise that link to Accessible Nelson. Or, it could provide funding to support the purchase and refurbishment of more Town Centre relocation properties for Pendle Rise tenants and achieve more physical regeneration at the same time.
32. Additionally, officers are investigating the feasibility of using the additional funds to enable the cleared site to be suitable for accommodating an extended street market by installing infrastructure such as electrical points, stall fixing points, lighting, canopies, additional market stalls etc.
33. Officers will also ensure that options for capital contributions to the cost of installing PV

infrastructure is explored as part of the review of these options outlined in paragraph 28.

34. The outcomes of these investigations will be subject to a separate committee report.

35. IMPLICATIONS

36. Policy:

37. The proposals are consistent with current policies in place for Town Centre development and the original Town Deal proposals and business case target outputs, other than if total demolition is pursued there will be the loss of the heritage building, which is a Town Deal targeted output (see Risks).

38. The use of Strategic Leisure in reviewing options for Trafalgar House ensured that the leisure options originally identified in public consultation have been reviewed in the context of the Leisure Review and proposals for Wavelengths.

39. The proposals will feed into the strategic review of car parking across Pendle Borough currently taking place.

40. Financial:

41. As the table at Paragraph 29 shows, the proposals are affordable within the £1.6million Town Deal fund allocation.

42. Both Trafalgar House and Pendle Rise form part of the Revitalised Nelson Programme and therefore virement of budgets between them is permitted under the Town Deal funding rules at the level suggested (£25,000 from Trafalgar House to Pendle Rise).

43. It must be noted that if Members select the partial demolition option, there is the potential for ongoing revenue costs for the Council should suitable tenants not be found for the commercial unit or apartments.

44. Legal:

45. Following the Executive Committee meeting, the agreed proposals for Trafalgar House will be taken forward to the Penbrook Developments Limited and Town Deal Boards for approval as key stakeholders in the project.

46. Risk Management:

47. The project is subject to risk controls in line with MHCLG requirements under the management of RAISE Partnership. Submission for formal approval of the final scheme by MHCLG forms part of the risk management process.

48. If total demolition is progressed, this will mean that a target output for the Town Deal Programme of a historic building being safeguarded will not be met. This will need to be approved by MHCLG and demolition would be subject to planning consent. The Town Deal Board would need to be informed of the decision and reassured that the original objectives of their original preferred scheme around parking and EV charging points are being satisfied by these proposals. Conversations with MHCLG and the Town Deal Board are ongoing and a verbal update will be provided to Executive.

49. Health and Safety:

50. Any resulting demolition and construction activities resulting from the recommendations of this report will be covered by CDM regulations and managed by an independent and suitably qualified Principal Designer.

51. Sustainability:

52. The majority of the fabric of the existing buildings are beyond economic repair and so in any option for Trafalgar House, substantial demolition will be needed.

53. In the options of partial or total demolition however, as far as possible, the building materials will be crushed on site and reused as hardcore and fill for the basement level.

54. Any new future development will be built to new energy performance and building control standards, ensuring a magnitude of improvement in the sustainability credentials of the site versus the current buildings.

55. The proposals provide for EVCs and the investigation of the feasibility of PVs.

56. Community Safety:

57. The current state of Trafalgar House is leading it to increasingly become a threat to public safety because of unstable structures, falling masonry and prevalence of vermin and excessive guano from feral pigeons. The proposals address these issues and prevent further deterioration.

58. Equality and Diversity:

59. There are no equality and diversity implications of these proposals which have been developed in conjunction with wide public consultation.

APPENDICES

- 1) Appendix One – Strategic Leisure Redevelopment Options Appraisal January 2024
- 2) Appendix Two - Strategic Leisure Redevelopment Viability Report August 2024
- 3) Appendix Three – Howell Goodfellows Trafalgar House Partial Demolition Cost Plan August 2024 & Howell Goodfellows Trafalgar House Total Demolition Cost Plan August 2024
- 4) Appendix Four – Leonard Design Architects Partial and Full Demolition Visuals
- 5) Appendix Five – Proposed ACE Centre Car Parking Layout

LIST OF BACKGROUND PAPERS

- 1) Trafalgar House report by David Morley Architects
- 2) Analysis of consultation feedback for Trafalgar House, Iftikhar Bokhari 26/09/22
- 3) Cost Plan for original Trafalgar House proposals DLP Ltd 2022
- 4) Leonard Design Architects Concept Design Pack

5) Concept Design Pack – Updated Version – Strategic Leisure