

REPORT FROM: DIRECTOR OF PLACE

TO: NELSON TOWN DEAL BOARD

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REVITALISED NELSON – PROGRAMME UPDATE

PURPOSE OF REPORT

To update the Town Deal Board on progress with the Revitalised Nelson Programme.

RECOMMENDATION

To note the report.

REASON FOR RECOMMENDATION

For information.

1. The report provides updates on Pendle Rise Shopping Centre, Relocation Properties and Trafalgar House.
2. **Pendle Rise Shopping Centre**
3. Since purchasing Pendle Rise Shopping Centre (PRSC) Pendle Borough Council (PBC) has run the centre in conjunction with management operator Beddows Limited. The centre is now operating relatively smoothly on a day-to-day basis. The fabric of the building has deteriorated further during the winter period with new areas of water ingress developing.
4. At the last Board Meeting in December 2024, the timeline for the CPO process was laid out in the table below:

Period / Dates	Action
May 2024	Acquire freehold to PRSC
June–August 2024	Complete Land Referencing and assess accurate information on tenancies and interests in PRSC
June–August 2024	Complete remaining documentation in preparation for CPO
September--November 2024	Make and pursue confirmation of the CPO, potential for an inquiry if objections are received
August 2024 - September 2025	Rolling programme of decommissioning, tenant relocation and soft strip out across PRSC
March 2025	Estimated date for CPO public inquiry (if required)

September 2025	Target vacant possession date by agreement
September 2025	Secretary of State's decision to confirm CPO
September-October 2025	Exercise CPO powers to acquire remaining land interests
October 2025	Commence demolition where land is wholly owned by the Council
March 2026	Complete demolition

5. This timeline remains broadly on target. The CPO order has been made with two holding objections received. One from Specsavers and one from Lancashire County Council (LCC) (with respect to concern regarding the denotation of the land as Highway).
6. The project team are optimistic of getting both objections withdrawn by the end of February, and before the Secretary of State's office decides on the route by which the CPO is determined ie Public Inquiry, Written Representations, or Self-Determination.
7. Negotiations with Specsavers are being led by Axis Property Consultants and are well advanced. LCC have accepted a Letter of Undertaking from Pendle Borough Council drafted on their behalf by Eversheds Sutherland LLP.
8. As reported to the Town Deal Board in December, the project team sought to minimise disruption to retailers through the important Christmas trading period, and as indicated, with the turn of the year, have now accelerated discussions around relocation and compensation to provide greater certainty for retailers and all other stakeholders. This process is being supported by Axis Property Consultants.
9. Meetings with each Tenant and Axis and the PBC Estate Team have been taking place with respect to compensation in line with CPO requirements. Settlement figures are beginning to be negotiated and agreed. These negotiations are commercial in confidence and are covered in a separate report.
10. The CPO is required to ensure any and all remaining rights and interests in land at PRSC are and can be assimilated so there are no impediments to the development. However, as freehold owner of the site, PBC can continue to gain vacant possession of the site and proceed with preparations to demolish the existing buildings.
11. The soft strip out of vacant shop units was completed before the end of the calendar year as reported to the Town Deal Board in September and December 2024. Further soft strip out will continue as retailers reach agreement on compensation and units become vacant.
12. Progress has been made with the full demolition schedule. This includes removal of asbestos, suspended ceilings, partitions and flooring, heating and air conditioning, and mechanical and electrical installations. We will also break through dividing walls to render individual units incapable of beneficial occupation.
13. The next level intrusive demolition and refurbishment survey (R&D Survey) for asbestos in unoccupied areas has been completed and the extent of asbestos found has informed the duration and phasing of the hard strip out. There is complexity in separating hard strip out from asbestos removal in places in PRSC, and health and safety considerations of asbestos removal in an operational location with public present. These factors have led to a decision to continue with soft strip as units become vacant, but roll the hard strip out and asbestos removal into a single demolition process constituted of three packages; hard strip out, asbestos removal, full demolition and site clearance. Work has already been carried out with specialist advisors to firm up budgets and current estimates, with some packages still to be defined. This work indicates a figure at, or just above, the £1.5million budget.

14. The PBC project team are still currently aiming to have vacant possession of the centre by the end of September 2025 with demolition complete by end of March 2026.

15. The current budget profile for the PRSC Town Deal funding remains as follows:

Item	£	Notes
Acquisition	£ 4.3 million	Spent
CPO and Professional Fees	£ 1.2 million	Based on advice from Axis and Eversheds. Accurate estimate.
Demolition and Clearance	£1.5 million	Based on Contractor quotations
Compensation	£2.5 million	Based on initial estimate of compensation liability following tenant and telecom meetings
Upkeep, Accessible Nelson, Other, Contingency	£0.8 million	To allow for contribution to Accessible Nelson and other costs incurred including as PRSC operator pre-demolition
Total	£10.3 million	

16. There may be some adjustments upwards and downwards on these budgets as details continue to be defined on the CPO route, compensation agreements, and demolition costs, but any requisite adjustments are expected to be relatively minor and to balance out within the £10.3 million available.

17. Agreement has been reached with Lancashire Highways to ensure works carried out as part of their cross-Nelson highway improvements, which include Accessible Nelson, are fully consistent with the Pendle Rise Shopping Centre proposals. Highways consultants Mode are now progressing with the S78 agreement and meetings have been held with PBC Planning Department regarding the S73 variation following minor changes to suit Highways.

18. The project team has been advised by Lancashire Highways that works on Sagar Street, which were expected to start on the 6th January 2025, have been postponed due to a requirement to carry out utility works. The latest information provided by Lancashire Highways is now a potential start in mid to late February 2025.

19. Relocation Properties

20. Good progress continues to be made with the Telecommunication installations. Following confirmation by all three Telecommunication companies that alternative sites have been found, the project team are concentrating on finalising both cost and timescales for the moves. Utility companies raised no objections to the CPO and we are currently ensuring there are no key relocations required in advance of redevelopment.

21. Relocation properties at both 1-3 and 5-7 Scotland Road have been offered as relocation opportunities to tenants being displaced from PRSC. Meanwhile use of the former Althams building continues by In-Situ until at least the end of February pending confirmation of any interest from tenants seeking relocation. Other than 23 Manchester Road for Specsavers, no further properties will be acquired pending the outcome of tenant compensation negotiations and confirmation of demand for relocation properties.

22. Structural and asbestos surveys have been completed satisfactorily on 23 Manchester Roads and as indicated in paragraph 7, negotiations with Specsavers are proceeding with a view to them relocating to this property.

23. Trafalgar House

24. Pendle Borough Council have decided to retain the historic front element of Trafalgar House and demolish the rear of the building. The front will be refurbished for commercial use and the rear will be presented as a cleared and levelled site, for temporary use for car parking and/or street market expansion, with the medium/long term aim of it providing a further town centre development site.
25. Trafalgar House will be marketed for a period of 3 months and the marketing brochure is attached at Appendix 1. There is already at least one interested party and discussions are being progressed, however the wider advertising will continue in parallel throughout the marketing period.
26. The project team are currently working to organise access into the building for the QS and Structural Engineer so that budget estimates and scope of works can be more accurately assessed and defined.
27. The project team have also opened dialogue with Group First Global Limited, of the ACE Centre, regarding the car park expansion between the rear of No1 Market Street and the ACE Centre, which will form part of this project.