

REPORT FROM: DIRECTOR OF PLACE

TO: TOWN DEAL BOARD

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NELSON TOWN DEAL TRAFALGAR HOUSE UPDATE

PURPOSE OF REPORT

To update the Board on progress with submitting the planning application, construction cost estimates received from contractors and the assessment of façade retention as an option by which the heritage of the property could be preserved with the likelihood of planning permission being obtained.

RECOMMENDATIONS

- (1) To agree that a façade-only retention option should not be progressed as it does not provide a means to preserve heritage value at a reduced cost.
- (2) To note the contents of the report and reaffirm the virement of £673,000 from Pendle Rise and relocation budgets to Trafalgar House.

REASONS FOR RECOMMENDATIONS

- (1) To confirm that a façade-only option does not offer a viable way forward and so should not be progressed
- (2) To provide sufficient funds for the Trafalgar House project as outlined in the November report to the Town Deal Board.

1. Executive Summary

2. Following approval from the Town Deal Board at its November meeting of the virement of £673,000 from Pendle Rise Shopping Centre (PRSC) and Relocation Properties budgets across to Trafalgar House, to enable the partial demolition of Trafalgar House and the renovation of its historic front portion, this report updates the Board on:

- Progress with submitting the planning application by the end of January 2026.
- Construction cost estimates received from contractors which confirm QS estimates, prior to a full tender exercise for formal approval by the PBC Executive - to be carried out by Penbrook Developments Limited (Penbrook) following planning permission.
- The assessment that 'façade retention only' is considered more costly than the current proposals and would likely diminish the likelihood of planning permission being granted as it will not adequately preserve the heritage of the property.

3. Information & Background

4. The updated Howell Goodfellow's cost plan for the proposed works to Trafalgar House presented to the Board in November 2025 showed an estimated cost of £1,702,066 as per the attached schedule (Appendix Two)
5. The Board was also advised that savings on the PRSC and Relocation Properties budgets gave an opportunity to vire £673,000 across to Trafalgar House to meet the estimated costs and provide for a 15% contingency against the rapid deterioration in the condition of the property. These gave a budget breakdown as follows:

Item	£
Costs	
QS Estimate	1,702,066
Additional 15% contingency	256,231
Planning and Professional Fees	70,000
Penbrook Development Mgt Fee	85,000
Client side professional fees	150,000
Sub Total	2,263,297
Funding	
Budget	1,590,297
Relocation Properties Virement	543,000
PRSC Virement	130,000
Sub Total	2,263,297
Balance	
Total	0

6. The Board approved the requisite virement subject to:
 - Any savings realised, as a result of actual tenders being received, being retained within the Town Deal Funds under the control of the Board in terms of expenditure decisions.
 - A planning application being submitted as soon as possible to support project delivery in order the limit delays given the condition of the building and therefore mitigate any likely call on contingencies resulting from increased dilapidation.
 - A review of the option to retain the façade of the building only as a way of preserving heritage value at a reduced cost.
 - Any monies received by way of future sales or leases to be granted back to the Nelson Pride in Place Board
7. A report is being taken to the December meeting of the PBC Executive on the Town Deal Board's decisions.

8. Three similar demolition tenders have now been received, all of which have informed and support the allowance in the Howell Goodfellow cost plan for the demolition of c£460,000.
9. The proposed renovation of the remaining building, to deliver the proposed scheme in its entirety, has been costed by Barnfield Construction Limited at £1.70m. Again this supports the figures in the Howell Goodfellow cost plan.
10. We can therefore conclude that it is not possible to deliver the proposed scheme and reduce the budgeted figure of £1,702,066 at this stage, in order to reduce the extra over contingency and/or the amount to be vired at this stage.
11. A full tender exercise will be undertaken by Penbrook once planning permission is granted, in order that; plans are final and confirmed, and prices are current and based on the prevailing condition of the building at that time. The results of this tender exercise will be reported to the PBC Executive for formal approval to proceed with the project through Penbrook.
12. Actions are underway, through the Penbrook consultant team, to ensure that the planning application is submitted as soon as possible with a target date of the end of January 2026 as below:
 - W/E 5th December - fine tuning of proposals to ensure best value for money
 - W/E 12th December – drafting of planning statement, based on final proposals – to include details of viability assessments to support approach to preserving heritage
 - W/E 9th January – fixed plans and planning statement
 - W/E 24th January – Heritage, Planning, Transport, Ecology, Structural, Drainage reports all to be completed
 - W/E 31st January – planning application to be submitted
13. Lanpro, the Heritage Consultants retained by Penbrook, who have been advising on the planning application have provided a report on the feasibility of a ‘façade retention only’ option for Trafalgar House.
14. Their findings are appended to this report as Appendix One. In the opinion of Lanpro, ‘façade-only retention would not be an appropriate or well-regarded conservation approach for Trafalgar House’.
15. Lanpro comment: ‘Retention of a single principal elevation is not supported from a conservation perspective and would conflict with national policy, accepted heritage practice, and the building’s recognised significance as a non-designated heritage asset. It would not meaningfully conserve the building’s significance, nor would it maintain its contribution to the civic character of the town centre. It would result in the near-total loss of the asset’s historic fabric, plan form, internal spatial character, and group value, retaining only a two-dimensional architectural shell. This would amount to significant harm to a non-designated heritage asset and is inconsistent with established principles of good conservation practice’.
16. In addition to the heritage and planning approval challenges, the consultant’s report also advises that ‘technically, façade retention can be complex, risky, and expensive. The costs associated with retaining only the façade of Trafalgar House would be substantially higher than those of a conventional re-fit and partial demolition’. Further, ‘These factors render façade retention economically and practically unviable, effectively ruling it out as a feasible option for this project’.
17. Their report concludes that ‘retention and sensitive/selective demolition or adaptation of the whole building provides a more heritage-led, policy-compliant, and contextually appropriate

solution’.

18. On the basis of cost, heritage and planning considerations, the façade retention only concept is not considered feasible and therefore should not be taken forward.
19. The outcome of PBC-led negotiations with occupiers will be reported back to the Town Deal Board.
20. In summary, it is recommended that the proposals and budgets presented to the November meeting of the Town Deal Board are taken forward for planning approval and delivery.
- 21. Risks and Issues**
- 22. Cost inflation**
23. The condition of Trafalgar House is now deteriorating at a rapid rate, meaning that the cost of demolition will increase accordingly. It will not be possible to remove hazardous material in advance of demolition for much longer, and if this has to be done after demolition it will significantly increase costs.
24. Cost estimates are going up with each review exercise as the amount of work to deal with the dilapidation in the building increases, along with the effects of cost inflation generally.
25. The demolition costs in the latest cost plan have been formulated in conjunction with submissions from local contractors. However, Goodfellow Howells have only allowed for 3% contingency in their cost plan. This might be considered light.
26. In light of the risks outlined in paragraphs 23- 24 inclusive, an additional 15% contingency has been included. A prompt decision on the way forward for the project is required.
- 27. Insufficient funds left for PRSC**
28. The final budgetary outcome on the Revitalised Nelson programme will of course depend on the final levels of compensation and relocation costs agreed with the tenants and telecom companies.
- 29. Town Deal Outputs**
30. For Revitalised Nelson, Trafalgar House provides an output of a heritage asset saved and contributes to repurposed floor space. However, in the recently announced new MHCLG monitoring regime, there is no longer any need to submit a formal Project Adjustment Form (PAR) for variations to funding allocations or outputs/outcomes achieved. The decision to vary funding or outputs within the Town Deal Programme rests with the Town Deal Board and the Local Authority and must specifically be signed off by the Council’s Section 151 (Chief Finance) Officer.
- 31. Town Deal Board’s aspiration to fund additional projects**
32. The Town Deal Board has expressed an aspiration to support additional projects from any underspend of the Town Deal Fund once the original core projects have been delivered. Projects are currently being identified accordingly, and a report will be brought to a future board meeting.
33. The additional contingency of £256,231 (15% of construction costs) has been included due to the increasing deterioration in Trafalgar House. The £70,000 planning and professional

fees are based on a Penbrook estimate of the costs of obtaining planning permission, given the status of the heritage value of the building in a conservation area. The management fee of £85,000 represents the reduced level of fee agreed between Brookhouse and PBC for managing the development. The budget for client-side professional fees, including project management, consultancy and survey fees of £150,000 represent costs incurred to date with projections as to any additional costs that may be incurred during the project. Any underspend on these costs will be brought back to the Town Deal Board.

34. The level of any potential underspend across Revitalised Nelson will be determined at a future point. This will require:

- completion of negotiations with tenants on CPO compensation
- finishing demolition of PRSC so that costs and any disturbance claims are known
- obtaining planning permission and then partial demolition of Trafalgar House
- successful contracting of the renovation of the remaining portion of Trafalgar House post partial demolition

Appendices

- Appendix One - Lanpro – Trafalgar House, Nelson: Façade Statement
- Appendix Two – Howell Goodfellow Cost Plan